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KINGSTON, ONTARIO

# REPORTS

OF THE

INSPECTORS OF THE FREE PORTS

OF

GASPE AND SAULT STE. MARIE,

TOGETHER WITH

CERTAIN STATISTICAL TABLES OF IMPORTS.

*Return Printed in Condensed form, by Order of Joint Committee on Printing.*



**Quebec:**

PRINTED BY HUNTER, ROSE & CO., ST. URSULE STREET.

1865.

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SECRETARY OF THE ARMY  
WASHINGTON

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# RETURN

To an Address of the Honorable the Legislative Assembly, dated 17th August, 1865, for Copies of Documents relating to Free Ports.

By Command.

WM. McDUGALL,  
Secretary.

SECRETARY'S OFFICE,  
Quebec, 14th September, 1865.

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PERCÉ, GASPÉ, 6th March, 1865.

SIR,—In obedience to instructions received from your Department, dated January, ultimo, directing me to make a Special Inspection of the Free Ports of Gaspé and the Districts attached thereto, to enquire generally into the operation of the system in force—alleged smuggling and other matters connected therewith—and to report to you for the information of the Honorable the Minister of Finance, I beg therefore to state,—

That I proceeded as soon as possible from Quebec, (having gone to Montreal to make preparations for a long winter journey) after having had the benefit of a protracted conference with yourself, to Rivière du Loup, and there, ascertaining that the Metapedia road to Restigouche was not passable with horses by reason of late, heavy falls of snow (the last mail having been carried by dogs), I decided to travel by New Brunswick, the more as I am instructed to visit the Ports of that Province and learn on the spot if there were grounds for the complaints of contraband trade from the District of Gaspé, intending to return by Métis and the south shore.

My route lay by Lakes Temiscouata and Madawaska to the St. John, then to Woodstock and Frederickton, thence northerly to Miramichi and Bathurst, along the Bay des Chaleurs to Dalhousie, up the Restigouche River to Campbelltown, thence over to Cross-point on the Canada side, and following the north shore of the Bay passed Carleton, New Richmond and New Carlisle on the way to Percé and Gaspé Basin, stopping at each place to collect information from Custom House Officers, merchants, and settlers, on the subject of my mission.

The roads were very heavy, the effect of recent snow storms; my progress was, consequently, slow and unpleasant; I found it necessary to travel by the stage three whole nights, and part of others.

I shall confine myself in this report to that illicit trade said to be carried on with New Brunswick from Gaspé, as it was the first matter I inquired into.

I called on the Collector of Customs (styled Deputy Treasurer) at Frederickton, and informed him of the object I had in view. He stated that there was no smuggling at that Port from Gaspé. I did not think there was, as there is little or no communication between them.

The collector at Chatham "Miramichi," on whom I called, said there undoubtedly was some illicit traffic, especially in spirits put up in fish and oil barrels, from the Free Port into the Miramichi, in fishing-boats by night, but he had made seizures. I requested him to put his opinions on paper, which he did—Please see letter annexed, No. 1. I also waited on the Collector at Bathurst, on arrival; he stated to me that one-fourth of the



goods imported within his survey, but not in that town, were smuggled from Gaspé, and he had so reported to the Provincial Treasurer at the Seat of Government, but he had not a sufficient number of coast officers to prevent it—some of his opinions are also reduced to writing in Appendix No. 2.

My next visit was to the collector of Dalhousie; he said it was a fact that a contraband trade, on a small scale, was constantly carried on from the District of Gaspé to places within his survey. He mentioned instances—one of a hogshead of Brandy, another of two puncheons of Rum and four boxes of Tobacco; again, several cases of spirits had been smuggled to the New Brunswick side—but he had not means at command to prevent it, and had made no seizures. He had been written to from headquarters on this subject, and had reported the true state of affairs. He added, he was then on the look out for forty cases of Gin which he heard were about to be brought over the ice from Carleton. He informed me that he believed a great deal of goods were transported from the Free Ports to the Canadian side of the Restigouche, outside the limits, where lumbering is carried on, and landed without payment of duty. He was of opinion that the officers were not sufficiently on the alert, that the limits of the Free Ports should be restricted, and that a Supervisor of the whole District and Islands ought to be appointed. He has since written me a letter, which is an interesting one, as he is a most intelligent officer.—Appendix No. 3.

Next day I called on the collector of Campbelltown, the most western port of New Brunswick, and he told me he believed there was no smuggling of any consequence from the District of Gaspé into his survey. However, on one occasion he had reason to know that two casks of spirits were landed on the Canada side of the Restigouche (the boundary between the two Provinces) in order to be afterwards brought across the river and illegally landed, which he supposed had been done and without detection. He added that whatever smuggling existed was in liquors.

Before leaving New Brunswick I wrote to the collectors at Caraquet, Shippegan, Shediac, Richibucto and St. John, as it was not necessary and would occupy too much time to visit them, but have only, as yet, heard from the two latter, whose letters Nos. 4 and 5 are appended.

The conclusion I have arrived at respecting this illicit traffic from the Free Port of Gaspé into the neighboring Province, after due deliberation, is, that it exists to a considerable extent. In addition to the statements I have elicited, before alluded to, I beg to say that before leaving Quebec I was told, by a respectable young man from Bay Chaleurs, that he had occasionally seen a hogshead of Gin put on board a fishing boat at New Carlisle, which immediately started for the New Brunswick side. The Sheriff of the County told Mr. Mann, Revenue Officer at Carleton (as the latter informed me) that he was aware that a fishing boat, laden with casks and cases of spirits and other goods, regularly left New Carlisle or Paspébiac once a week, for the opposite shore; that her rigging was sometimes altered to avoid notice or detection. While in Dalhousie, N.B., a hotel-keeper told me (not knowing my business) that he had soon to go over to the Canada side for a hogshead of Brandy, which he intended to bring in and land at night.

I shall not, in this report, offer suggestions regarding check or prevention, as I have not yet had time to analyze the information I have collected, or to put my own thoughts on the subject into shape. I have seen and heard enough to convince me that the privileges of the Free Port are abused, that smuggling is carried on out of the District to New Brunswick and by the St. Lawrence into Canada, that the facilities for doing so are very great, and that it is time a stop were put to such demoralizing and fraudulent practices, an object which, in my humble opinion, by the introduction of some changes, both Departmental and in the present mode of discharging official duty, can be, in a great measure, accomplished.

The whole, nevertheless, respectfully submitted.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

H. KAVANAGH.

R. S. M. Bouchette, Esquire,  
Commissioner of Customs,  
Quebec.

(No. 1.)

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CHATHAM, 20th February, 1865.

(No. 1.)

H. Kavanagh, Esquire,

SIR,—In answer to your letter of the 10th inst., I have to state that (beyond one instance of seizure of a cask of Gin brought in a small vessel from Gaspé to Shippegan, there concealed under ship-knees, and thence to this port), nothing from reliable information, has been run into Miramichi.

But from common rumor I am convinced that illicit traffic is carried on to a great extent between Gaspé and some of the outports to the northward, being conveyed by small craft or boats from Gaspé to New Carlisle and concealed under shingles, and then to their destination.

Mr. Willeston, being very unwell, has requested me to work for him.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

J. C. E. CARMICHAEL,  
Preventive Officer.

(No. 2.)

DEPUTY TREASURER'S OFFICE,  
Bathurst, 23rd February, 1865.

SIR,—In reply to your letter of 18th inst., relative to alleged smuggling between the Free Port of Gaspé and this Province, I beg to inform you that such illicit trade is carried on, to a great extent, in open boats, principally by the inhabitants residing on the seacoast.

In my opinion the facilities for carrying on smuggling are so great that no mode of prevention can be successfully adopted *on this side*, and, therefore, I know of no remedy to suggest, excepting the abrogation of the Free Ports.

I am, Sir,

Your obedient servant,

(Signed,)

FRANCOIS MEAHAN.

H. Kavanagh, Esquire,  
Gaspé.

(No. 3.)

DEPUTY TREASURER'S OFFICE,  
Dalhousie, N. B., 25th February, 1865.

SIR,—In reference to your inquiries respecting the trade of this Port, as affected by the Free Port of Gaspé, I beg leave to state, at first an attempt was made to take advantage of the Free Port to import goods generally by entering them at Gaspé and then removing them to and landing them at Carleton, to await a favorable opportunity for transport hither, of which I received information, and being thus set on the alert, succeeded in thwarting the parties interested. Since then the illicit traffic has been principally confined to spirituous liquors and wines, in fishing boats and small craft in summer, from Paspébiac, Maria and Carleton, and upon the ice in winter.

The extensive sea-board offering tempting facilities for such an enterprise, and which with ordinary means it is now impossible to control.

I was requested by the head of my Department, about the close of the navigation in 1863, to report on the subject; to which I responded, that in addition to this traffic in spirituous liquors, there had always been free intercourse and exchange of commodities between the inhabitants in Canada and those in New Brunswick, bordering the Restigouche and Chaleurs Bay; that was unrestrained because uncontrollable and consequently not considered demoralizing; that did not materially affect the revenue of either Province; and I may now add, that the smuggling of spirituous liquors and threatens to assume a magnitude that will require the appointment of an experienced, competent and efficient officer, with the means of removal from place to place, at his disposal; and power to exercise a general supervision to subdue, and I humbly submit, to enable him to do so effectually, it will be necessary for the Legislature to restrict the importation of spirituous liquors and wines to the Port of Gaspé proper, and that a special correspondence by mail should be maintained between the Gaspé office and the different places for which spirits are shipped in

addition to the regular customs clearance, say by forwarding triplicate Master's manifest or contents, or otherwise.

I have the honor to be, Sir,

Your obedient servant,

(Signed,) W. STEWART.  
Deputy Treasurer and Controller.

Henry Kavanagh, Esquire,  
H. M. Customs, &c., Gaspé Basin.

(No. 4.)

RICHIBUCTO, February 26th, 1865.

SIR,—In reply to your favor of the 20th inst., now at hand, I beg to state that I am not aware of any smuggling having taken place from the "Free Port" of Gaspé since they became Free Ports. My officers, who are vigilant men, have been very careful in searching all vessels from that quarter, and have never been able to detect the smallest article of illicit trade, nor do I believe that any such trade has taken place to any part of my district.

I am, Sir,

Your obedient servant,

(Signed,) HENRY LIVINGSTON,  
Deputy Treasurer and Controller of Customs.

Henry Kavanagh, Esquire,  
Gaspé Basin, Canada East.

(No. 5.)

ST. JOHN, N. B., 24th February, 1865.

SIR,—In reply to your letter of 20th inst., I have to inform you that in November, 1863, I applied to the several Deputy Treasurers, from Dalhousie to Shippegan, to report to me relative to the reported smuggling into this Province from the District of Gaspé.

From their reports I gather that there is much smuggling carried on in boats, which can land at various coves and inlets on our shore, and which it is impossible to prevent or even check without such a staff of officers as would be too expensive for the Province; and unless it can be prevented by some means of the Canadian Government, we must continue to suffer damage from the Free Port of Gaspé.

I have the honor to be, Sir,

Your obedient servant,

(Signed,) B. THOS. DINNY.

H. Kavanagh, Esquire,  
Gaspé Basin, Canada.

*The Season.*—On Monday, and particularly on Monday night, we had a severe blow from the north and northwest; this caused a heavy drift. It was also intensely cold. This blocked up the roads, and travelling is very bad.

The mail due from the southward on Tuesday morning did not reach Chatham until Thursday morning. Considerable snow fell on Tuesday and Thursday, and on the latter there was a heavy drift. It is very difficult to get on with the out-door work of the country.

#### NEW BRUNSWICK.

*Heavy Storm.*—On Sunday night a snow storm commenced which lasted, without intermission, until this morning. The wind blew heavily, and in some places the drifts are very large and have so completely blocked up the roads that travel will be delayed for some days. The mail which left the St. John Office last night for Fredericton, and for the westward, could only get as far as Fairville, where they encountered drifts as high almost as the telegraph wires, and, finding it impossible to proceed, they returned to the town again until this morning.

The mail from Fredericton did not reach town until 3.30 P.M., and the American mail had not arrived when we went to press.—*Globe, February 14.*

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Brandy.....  
Gin.....  
Rum.....  
Coffee, green..  
Coffee roasted..  
Molasses.....  
Sugar, refined..  
Sugar, other..  
Tea.....  
Tobacco, man..  
Dried Fruit a..  
Soap.....  
Wine in bott..  
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Candles.....  
Crockery and..  
Cordage.....  
Oils, rectified..  
Iron.....  
Other articles..  
Free Goods...

Duty, if colle

MIRAMICHI, CHATHAM, Saturday, February 25th, 1865.

*Late European News.*—Last week we announced that the steamer Europa had arrived at Halifax on Sunday. This vessel did arrive at noon on Thursday week, and, had the roads been as they generally are, the mail would have been here on the day mentioned, but, instead of this, it did not reach Chatham until Tuesday morning. This shows what a wretched condition the roads were in. If there be one class of men more than another that deserve our sympathies and forbearance this winter, it is the couriers—they have had a hard time of it contending against storm after storm, and a succession of bad roads, owing to heavy falls of snow and heavy drifts.

(F. P. of G. No. 1.)—Comparative Imports at the Free Port of Gaspé.

		1860.		1861.		1862.	
			\$		\$		\$
Brandy.....	gallons.	186	88	1214	1700	2212	2408
Gin.....	do	3477	1397	21606	10802	27322	11445
Rum.....	do	45	42	5108	3735	6923	4284
Coffee, green.....	lbs.	11390	1866	7995	1121	16831	3167
Coffee roasted and ground.....	do	5600	680	3138	343	935	181
Molasses.....	galls.	29822	9419	62897	15953	111722	21988
Sugar, refined.....	lbs.	2324	239	7203	668	11719	1333
Sugar, other.....	do	41735	2601	114286	7167	229730	11686
Tea.....	do	28683	8128	77665	24339	98848	35617
Tobacco, manufactured.....	do	26725	4506	61854	11416	53582	17184
Dried Fruit and nuts.....	do	983	117	12665	962	10482	922
Soap.....	do	22429	1219	33776	2071	26542	1714
Wine of all kinds in wood.....	galls.	2275	270	2011	2426	1583	1604
Wine in bottles.....	do	19	72	180	405	93	562
Wearing apparel.....			9312		13363		16991
Manufactures.....	Woollens.		23953		32881		31767
do	Leather.		6669		10581		11083
do	Cottons.		33675		55523		52451
do	Hardware.		10786		19551		16078
do	Fancy Gds.		884		3724		1724
do	Wood.		2350		2713		2358
Candles.....	lbs.		740		1036		1507
Crockery and Earthenware.....			2700		4125		3742
Cordage.....			4159		8314		17968
Oils, rectified, &c.....	galls.	1697	1250	10433	4364	3004	2445
Iron.....			2585		3746		3296
Other articles.....			23087		220297		37614
Free Goods.....			135124		104529		107060
			286558		374729		420180
Duty, if collected.....					\$65501		\$77407



(F. P. of G. No. 2.)—Exports of Fish from the Free Port of Gaspé, to the 31st October, 1862.

By whom exported.	Italy.	Spain.	Brazil.	West Indies.	Gt. Britain.
Savage & Lecross.....	\$	\$	\$	\$	\$
Chas. Robin & Co.....	41543	3879	13876		
W. Truing & Co.....	22668	8691	36368	4009	
John LeBoutillier.....	14838		9906		
LeBoutillier Bros.....	9300	14034	30315	6938	
J. & D. Collas.....		6543	4360	1860	6152
W. Hyman.....	16710		696		
Roblin & Co.....		2100			
	105059	35247	95513	12857	6152

(F. P. of G. No. 3.)

STATEMENT No. 1.—Value of Canadian Produce, exported from Quebec to the Free Port of Gaspé, in 1861 and 1862.

	Gaspé.	Bonaventure.	Magdalen Islands	Labrador.	Total.
1861.....	\$ 162514	\$ 39403	\$ 12369	\$ 44226	\$ 258512
1862.....	226658	46784	5087	49229	327758

STATEMENT No. 2.—Value of Duty-paid Goods, exported from Quebec to the Free Port of Gaspé, in 1861 and 1862.

	Gaspé.	Bonaventure.	Magdalen Islands	Labrador.	Total.
1861.....	\$ 26008	\$ 9082	\$ 614	\$ 8445	\$ 44149
1862.....	25848	8093	743	14857	49541

STATEMENT No. 3.—Value of Bonded Goods, exported from Quebec to the Free Port of Gaspé, in 1861 and 1862.

	Gaspé.	Bonaventure.	Magdalen Islands	Labrador.	Total.
1861.....	\$ 13130	\$ 9723	\$	\$ 2028	\$ 24881
1862.....	15607	15759		2357	33723

STATEMENT No. 4.—Value of Free Goods exported from Quebec to the Free Port of Gaspé, in 1861 and 1862.

	Gaspé.	Bonaventure.	Magdalen Islands	Labrador.	Total.
1861.....	\$ 4192	\$ 1278	\$ 909	\$ 2867	\$ 9246
1862.....	1952	1028	411	2696	6087

STATEMENT

1861.....  
1862.....

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VALUE of  
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Gaspé.....  
Percé.....  
New Carlisle  
Carleton.....  
Seven Islands  
Amherst or

\* Most  
Islands.

STATEMENT No. 5.—Value of Goods imported into the Port of Quebec from the Free Port of Gaspé, in 1861 and 1862.

	Gaspé.	Bonaventure.	Magdalen Islands	Labrador.	Total.
	\$	\$	\$	\$	\$
1861.....	100754	7062	10244	70846	188906
1862.....	117005	14212	5340	64257	200814

F. P. of G., No. 5.—Memo. No. 1.

VALUE of Goods imported into Gaspé, Percé, New Carlisle, Carlton, Seven Islands and Amherst (Magdalen Islands) during 1858, 1859, 1860, 1861 and 1862.

	1858	1859	1860	1861	1862
	\$	\$	\$	\$	\$
Gaspé.....			53087	133029	97724
Percé.....	82128	108665	53166	54487	61220
New Carlisle.....	92828	126924	92024	*151254	144056
Carlton.....			included in New Carlisle.	29659	17791
Seven Islands.....				1696	*36934
Amherst or Magd. Islands..	49994	54803	43281	23624	40476
	\$224950	290392	286558	374729	398701

\* Most likely the goods which went to New Carlisle in 1861, have this year been partially sent to Seven Islands.



F. P. of G., No. 6.—Memo. No. 2.—PARTIES principally interested in Goods  
in 1858, 1859, 1860, 1861 and 1862,

	Gaspé.					Percé.					New Car.		
	1858	1859	1860	1861	1862	1858	1859	1860	1861	1862	1858	1859	1860
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Obs. Robin & Co.....								29530	16733	24228			
LeBoutillier Bros.....								3806	1038	4825			
Jn. LeBoutillier.....			9847	29563	23364			1489	48				
Truing & Co.....			13610	21743	19796								
I. & E. Collas....	32128	108665	7291	18586	14680								
Wm. Hyman.....			1388	4693	4857						92828	126924	
Others.....			15960	48444	85127			16663	18659	21733			
Savage & Legros.....			4491					1678	9099	10434			
	32128	108665	53087	123129	97724			53166	45437	61220	92828	126924	

F. P. of G., No. 7.

STATEMENT No. 1.—Exports from the Free Port of

	Gaspé.			Percé.		
	1860	1861	1862	1860	1861	1862
	\$	\$	\$	\$	\$	\$
Charles Robin & Co.....			1609	8520	17462	25581
LeBoutillier Bros.....			9300	6060	7800	20333
Truing & Co.....	51889	62002	47205			
Jn. LeBoutillier.....	42334	26529	21919	5400		
I. & E. Collas.....	37130	31482	6318	3640	4050	8710
Savage & Legros.....	17944	13182	17283	11862		5250
Wm. Hyman.....	16122	12123	17406	1280		1200
Others.....	60665	60254	70759	10248	6156	15675
	226084	205572	191799	47010	35468	76749

STATEMENT No. 2.—Total Exports from the following Ports

	1858
Gaspé.....	\$
Percé.....	217858
New Carlisle.....	
Carlton.....	221071
Amherst.....	252493
Seven Islands.....	
	691422

**New Car-**

58	1859	1860
2	\$	\$
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
28	126924	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
28	126924	.....

Isle.		Carlton.					Seven Islands.					Amberst.				
1861	1862	1858	1859	1860	1861	1862	1858	1859	1860	1861	1862	1858	1859	1860	1861	1862
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
78833	92842															
59815	42895															
												49994	54803			
18107	8519				29659	17791				1676	36934				23624	40476
151254	144056				29659	17791				1676	26934	49994	54803		23624	40476

## Free Port of

Gaspé, during the years 1860, 1861 and 1862.

1861	1862
\$ 462	\$ 25581
800	20333
.....	.....
050	8710
.....	5250
.....	1200
156	15675
168	76749

New Carlisle.			Carlton.			Amherst.			Seven Islands.		
1860	1861	1862	1860	1861	1862	1860	1861	1862	1860	1861	1862
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
107345	66242	61737									
253563		41092				204432					
	8809	6230		33924	16190		172117	86500			12028
263363	183896	109059		33924	16190	264432	172117	86500			12028

## ing Ports

during the years 1858, 1859, 1860, 1861 and 1862.

1858

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\$

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217858

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221071

252493

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691422

1859	1860	1861	1862
\$	\$	\$	\$
244765	226084	205572	191799
258190	47010	35468	78749
266656	253703	183396	199059
	33924	33924	16195
	264432	172117	36500
			12028
764611	790889	630477	492325

F. P. of G., No. 8.—VALUE of Imports at the Ports constituting the Free Port of Gaspé, distinguishing the Countries from whence imported, during 1860, 1861 and 1862.

	Gt. Britain	U. States.	E. N. A. Colonies.	Spain.	Portugal.	Brazils.	Holland.	Norway.	F. W. I. Islands.	B. W. I. Islands.	Other.	Total imp. in each year
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Gaspé</b> .....	1860 40299	3247	6615	2569	295	62	1665	11399	7487	168		53087
	1861 80525	11312	13625	4504			48					125029
	1862 65813	4377	16726	3304								97724
<b>Peroté</b> .....	1860 50442		2324				400					
	1861 39544	1504	4008	331								53166
	1862 53342	2701	2010	990						2177		45487
												61220
<b>New Carlisle</b> .....	1860 46092	1519	40640	1749						2041		
	1861 90669	12483	46762	174	1074	92						
	1862 97117	11063	25761	1481	47					8987		151254
<b>Carlton</b> .....	1860 in New Carlisle.											144056
	1861 3074	15161	11424									
	1862 7723	1804	8264									29659
<b>Amherst</b> .....	1860 72	411	33137									17791
	1861 427	166	23091									
	1862		39647	800							29	23624
<b>Seven Islands</b> .....	1860											40476
	1861 1676											
	1862 30771	1554	4128				181					1676
												36934

F. P. of G., No. 9.—STATEMENT of Shipping arriving at the Ports constituting the Free Port of Gaspé, distinguishing whence they arrive during 1860, 1861 and 1862.

[illegible]

F. P. of G., No. 10.—STATEMENT of Shipping from the Ports constituting the Free Port of Gaspé, distinguishing the country for which they cleared

	Gt. Britain.			B. N. A. Colonies.			Brazil.			Spain.			Italy.			Portugal.			U. States.			French W. Indies.			British W. Indies.			St. Pierre and Miquelon.					
	No.	Tons.		No.	Tons.		No.	Tons.		No.	Tons.		No.	Tons.		No.	Tons.		No.	Tons.		No.	Tons.		No.	Tons.		No.	Tons.		No.	Tons.	
Gaspé.....	1860	5	832	11	810	3	478	14	1366	6	627																						
	1861	9	1313	16	1375	1	155	13	1186	6	565																						
	1862			25	1797	3	346	6	500	15	1400																						
Percé.....	1860	1	136	2	143					3	229	3	324																				
	1861	1	93	1	66					2	139	3	298																				
	1862			2	111	2	374	6	514	3	326																						
New Carlisle...	1860																																
	1861	4	792	36	2300	5	978	4	426	4	739	1	71																				
	1862	1	197	32	1737	5	1009				3	499																					
Carlton.....	1860																																
	1861	2	620	33	1961																												
	1862	1	366	22	1560																												
Amherst.....	1860																																
	1861																																
	1862																																
Seven Islands...	1860																																
	1861																																
	1862																																
Fox River .....	1860																																
	1861																																
	1862																																
Totals.....	1860	6	968	12	953	3	478	17	1595	9	1051																						
	1861	16	2818	216	11350	6	1133	19	1751	13	1602	1	71	50	3975																		
	1862	2	563	154	8190	10	1729	14	1206	21	2225																						

P. of G.,

Gaspé .....

Percé .....

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P. P. of G., No. 11.—FOREIGN TONNAGE trading with the Free Port of Gaspé,  
1861 and 1862.

	United States	Norway.	Spain.	France.
	Tons.	Tons.	Tons.	Tons.
<i>Inwards.</i>				
Gaspé ..... 1861	100	512		
..... 1862				
Percé ..... 1861				
..... 1862				
New Carlisle..... 1861				
..... 1862				
Carlton..... 1861	237			
..... 1862				
Amherst..... 1861	3150			
..... 1862	1829		96	29
1861—United States ..... 3150				
Other ..... 337				
..... 3487				
1862—United States ..... 1829				
Other ..... 637				
..... 2466				
<i>Outwards.</i>				
Gaspé ..... 1861	141	247		
..... 1862				
Percé ..... 1861				
..... 1862				
New Carlisle..... 1861				
..... 1862				
Carlton..... 1861	129			
..... 1862				
Amherst..... 1861	3211			
..... 1862	1439			29
Total Inwards ..... 1861	3487	1862	2466	
Outwards ..... 1861	3728	1862	1468	
1861—United States ..... 3211				
Other ..... 517				
..... 3728				
1862—United States ..... 1439				
Other ..... 29				
..... 1468				



F. P. of G., No. 12.—SUMMARY of the Foreign and Domestic Trade of the Free Port of Gaspé.

	Imports.	Exports.
Value of Trade with Foreign Ports, in 1861.....	\$ 374729	\$ 630477
do do do in 1862.....	420180	691075
Decrease in 1862 .....		
Increase in 1862 .....	45451	60598
Value of Trade with Canadian Ports, in 1861.....	366948	192115
do do do in 1862.....	466316	189786
Decrease in 1862 .....		
Increase in 1862 .....	99368	2329
Value of Trade with Foreign Ports, in 1861.....	374729	630477
do do Canadian Ports, in 1861.....	366948	192115
Total Trade in 1861.....	741677	822592
Value of Trade with Foreign Ports, in 1862.....	420180	691075
do do Canadian Ports, in 1862.....	466316	189786
Total Trade in 1862.....	886496	880861
Total increase of Trade in 1862 over 1861.....	144819	58269

COMPARATI  
vent

Salmon .....  
Codfish, green.  
do dry .....  
Herrings .....  
Mackerel .....  
Trout .....  
Halibut .....  
Caplin .....  
Cod Sounds.....  
Smoked Herring  
Cod Oil .....  
Seal Oil .....  
Whale Oil .....  
Cod liver Oil .  
Other Canada

Total

REMARKS-  
and Navigation  
I could not  
be kept.

FREE PORT OF GASPÉ.

(No. 3.)

CUSTOM HOUSE,  
Quebec, 30th September, 1861.

(General Order, No. 61.)

Masters of vessels arriving from the Free Ports of Gaspé are required, by law, to report at the Custom House, and the Tide Surveyor, immediately on arrival of such vessel, will place a Tidesman on board, with the usual instructions not to allow any goods to be landed, unless upon authority of usual warrant.

All goods packages, or casks, after being landed and before removal, to be strictly examined by the Landing Waiter in charge of the vessel, and a report made in detail in his Blue Book of the marks, numbers, and other particulars of each cask or package so landed.

All Water-side Officers are enjoined to satisfy themselves by actual examination, that casks reported to contain oil, do in fact contain oil, and do not contain spirits or other liquors.

(Signed,)

J. W. DUNSCOMB,  
Collector.

(No. 4.)

CUSTOM HOUSE,  
Quebec, 9th May, 1863.

(General Order, No. 68.)

GOODS FOR EXPORTATION.

Ordered, That all goods entered for exportation under bond, until actually placed on board the vessel for exportation, shall be under the immediate surveillance of an officer to be detailed for that purpose, and the Landing Waiter in charge of the vessel by which

COMPARATI  
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Flour and Bread  
Pork .....  
Beef .....  
Butter .....  
Lard .....  
Pease.....  
Salt .....  
Soap.....  
Candles .....  
Vegetables and  
Other articles .

Total value

Vessels Inwards  
do Outwards

e of the Free

the goods are proposed to be exported, shall be satisfied that the identical goods taken from Warehouse, are shipped, and no others, before writing off the ship's sufferance.

(Signed,)

J. W. DUNSCOMB,

Collector.

Exports.

(No. 5.)

### COMPARATIVE STATEMENT of Goods Imported into Quebec from Gaspé, Bonaventure, Labrador, and Magdalen Islands, in the following years:—

	1853.	1854.	1855.	1856.	1857.	1858.	1859.	1860.
Salmon ..... Barrels	582	474	266	434	361	665	1026	541
Codfish, green..... do	10479	9202	10737	12648	11982	9346	11682	18292
do dry..... Quintals	1688	9059	11011	16742	14070	10468	12022	9727
Herrings..... Barrels	7907	8751	3604	6836	5685	9782	16259	15772
Mackerel..... do	276	124	385	632	427	385	63	51
Trout..... do	14	4	13	9	13	73	85	47
Halibut..... do	2	8	15	31	6	.....	13	41
Caplin..... do	10	.....	.....	12	850	.....	.....	.....
Cod Sounds..... do	.....	8	.....	17	25	39	11	18
Smoked Herrings..... Boxes	1617	2037	12500	.....	.....	254	5	562
Cod Oil..... Barrels	2198	1713	2704	1650	1759	1306	2333	2845
Seal Oil..... do	163	989	78	256	875	719	699	1169
Whale Oil..... do	395	1035	878	500	828	1037	1108	1047
Cod liver Oil..... do	.....	21	.....	.....	.....	1	.....	15
Other Canada produce..Value \$	380	892	1152	3886	1508	500	1792	3400
Total value.....\$	116598	162485	140386	173421	185967	177760	245875	273942

REMARKS.—The statistics of this coasting trade, since 1860, will be found in the tables of Trade and Navigation published.

I could not obtain similar information to this at Montreal without weeks of labour, as no account of it is kept.

### COMPARATIVE STATEMENT of Goods Exported from Quebec to Gaspé, Bonaventure, Labrador, and Magdalen Islands, in the following years:—

	1853.	1854.	1855.	1856.	1857.	1858.	1859.	1860.
Flour and Breadstuffs.....Barrels	16182	17175	16131	17055	20300	23527	24093	26688
Pork..... do	832	1007	862	1114	924	1320	1849	1778
Beef..... do	60	130	122	128	117	129	148	147
Butter..... Lbs.	14398	18245	20863	15570	52660	50382	59105	48351
Lard..... do	6800	3950	5973	6897	8830	13420	18147	18941
Pease..... Bushels	1550	811	1725	2548	2180	1886	2361	2718
Salt..... do	15000	6149	8343	27063	23506	15787	28954	52938
Soap..... Boxes	296	112	195	349	398	433	459	448
Candles..... do	188	85	115	236	278	322	258	305
Vegetables and Fruits...Barrels	319	441	283	294	362	439	542	927
Other articles.....Value \$	32532	31692	29570	51176	49036	63324	89480	109740
Total value.....\$	169420	194706	183586	202586	243991	233716	281246	200843

	No.	Tns.	No.	Tns.	No.	Tns.	No.	Tns.	No.	Tns.	No.	Tns.	No.	Tns.	No.	Tns.
Vessels Inwards, Quebec .....	109	4964	91	4343	101	5061	162	6126	130	6265	146	9372	160	11454	177	12934
do Outwards do .....	112	5087	110	5418	110	5700	154	6710	153	7177	160	7654	180	12054	199	14603

placed on  
an officer to  
by which

QUEBEC, 8th August, 1863.

SIR,—We have now the honor to report, that, acting upon special instructions, we visited the Free Port of Sault St. Mary on the 3rd, 4th, 5th and 6th of October, 1862 and subsequently, the Free Port of Gaspé, in the latter case traversing first by water and then by land, the whole Canadian coast of the Bay of Chaleurs to Percé, and thence along the Gulf coast to Gaspé Basin, which place we left on the 31st of October in the same year.

As we have understood our instructions, conveyed first verbally by the Honorable the Minister of Finance, and further by your letter with which we were honored on our return from the Sault St. Mary, under date the 14th October, we were to enquire,—1st. As to how far the objects aimed at in establishing the Free Ports had been attained.

2nd. As to what intercourse has taken place between the Free Ports and other portions of the Province.

3rd. Whether smuggling out of the Free Ports has been carried on; with the best mode of preventing or checking the evil.

As we have no authoritative statement as to the objects which were aimed at in establishing the Free Ports other than those stated by the advocate of the measure in Parliament, we have had recourse to the Parliamentary Debates as our only source of information on that point.

So far as we have been able to gather then, the main objects have been, in respect of the Sault St. Mary, to encourage the settlement of our western territory, to foster the mining interests, to facilitate trade with the Red River settlements and the Northwest, to encourage the fisheries on Lakes Huron and Superior, and to establish a market at which the miners on the American shores of Lake Superior might find it advantageous to purchase their supplies.

As respects the Free Port of Gaspé, the objects appear to have taken a wider scope; for, in addition to the anticipation that the settlement of the country would be promoted, that the fisheries would be materially encouraged by the bounty which the purchase of supplies free of duty would give, it was also expected that an extensive commercial mart would be established at Gaspé Basin, to which foreigners engaged in the fisheries would resort for their supplies, at which a market would be established for the purchase and sale of fish, and which would be frequented by foreign shipping for the interchange of foreign produce for the produce of our fisheries.

As described in the Proclamation, the Free Port of Sault St. Mary embraces not less than 800 miles of coast, not counting the numerous small islands nor the bays and indentations. About 400 miles are east of the Falls of St. Mary and the remainder is on Lake Superior. The eastern portion is more or less occupied by settlements, sparsely peopled, it is true, but rising in importance by the gradual development of the mining, fishing and agricultural interests which are gradually extending and may reasonably be expected to constitute, at no distant period, an important group of interests.

The coast of Lake Superior is unoccupied except at one or two points, at Fort William where the Hudson's Bay Company has a Post, and at the Island of Michipicoton where considerable mining operations are carried on.

The village of St. Mary, or Free Port proper, is a village of about      inhabitants. From this point colonization roads have been constructed, extending northwesterly to Goulais Bay on Lake Superior, and eastward to the Bruce and Wellington Mine. So far as can be ascertained the lands available for settlement on these roads are being taken up by actual settlers, and it is probable that, at no distant day, this section will be occupied by a large population engaged in agricultural pursuits, and who will find a market for their surplus produce at the mines with which they will be in close proximity.

We had an opportunity of conversing with some of the settlers who gave us a very favorable account of their lands, which they described as of a productive character, and well calculated to repay the labors of the husbandman. The acquisition of the Great Manitoulin Island, which is supposed to contain upwards of 100,000 acres of land suitable for cultivation, will greatly increase the importance of the agricultural interests of this section of the Province.

The fisheries of Lake Superior, at the Sault St. Mary, at Lonely Island, and indeed in all the waters of Lake Huron included within the limits of the Free Port district, are of great value, and will unquestionably increase. The entire mining interests, of the

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Western Province are also within the limits; and there are immense forests which are becoming of great value, as the operations of the lumberer are fewer northward and westward by the progressive disappearance of the nearer forest before the march of settlement. The limits of this Free Port includes material wealth which the energies of a nation might be worthily employed to develop, as well as a territory sufficiently large and productive for the support of a large population.

We find, by the public accounts, that the cost of the custom house at this port, in 1861 and 1862, has been as follows:—

	1861.	1862.
Joseph Wilson, collector.....	\$500 00 ...	\$900 00
John Booker, landing-waiter, Bruce Mines.....	500 00 ...	500 00
Henry Pilgrim, landing-waiter.....	83 50 ...	.....
Edward Davis .....	225 00 ...	300 00
George Ironsides.....	66 67 ...	200 00
Rent and Contingencies .....	168 65 ...	255 27
Total cost per annum.....	\$1,548 82 ...	\$2,155 27

It will be admitted that the salaries are sufficiently low; but it is to be observed that both Mr. Wilson and Mr. Ironsides are paid for other services besides these rendered to the Custom House. The former has a salary from the Crown Lands Department, and the latter draws a salary from the Indian funds. It is also to be noted that Mr. Davis has never entered upon the duties of his office, having been incapacitated therefor by illness.

Mr. Gibbard, who is Inspector of Fisheries for this part of the Province and is constantly passing from one part of the coast to another with his boat's crew, is also a preventive officer, and as such renders very important preventive services, for which he receives no remuneration.

The following figures exhibit the trade statistics of this port for the years named.

	Value of Exports to Britain and Foreign Countries.	Imports from Britain and Foreign Countries.	Duty.
1858.....	\$ 255,821 00	\$ 47,756 00	\$ 4,513 66
1859.....	420,094 00	60,154 00	6,376 29
1860.....	298,479 00	37,395 00	3,018 65
1861.....	235,516 00	92,701 00	3,432 81
1862.....	305,858 00	90,420 00	.....

The value of the goods imported at the Sault St. Mary, from other Canadian

Ports in 1861, was.....	\$39,179
" " 1862 " .....	41,743
and the value of goods exported to other Canadian Ports was, in 1861.....	95
" " " " 1862.....	74

The value of the foreign and domestic trade of the port has, therefore, been—

	Imports.	Exports.
1861 .....	\$ 131,883 00	\$ 235,611 00
1862.....	132,163 00	305,932 00

Of the imports in 1862, at the date of our visit, nearly \$30,000 had been for account of the Hudson's Bay Company, in which we estimated the duties at \$6,206.

The whole duty on the goods entered here in 1861 would have been.....	\$ 16,056
" " " " 1862 " .....	12,905

It is, perhaps, true that some interests are benefited by this remission of duty on the goods going into consumption within the limits of the Free Port. The mining interest is benefited by escaping duty on its machinery, tools and supplies. The general consumer saves something by escaping the tax on tea, sugar, liquors, &c., for those goods are undoubtedly cheapened in some degree by the remission of the duty imposed on them in other parts of the country.

But this cheapening does not occur to the extent which appears to have been anticipated by the originators of the Free Port policy, nor to the extent which might be inferred from the amount of duty lost to the revenue. The price of clothing does not appear

to have been, in any great degree, reduced; tea has been cheapened by about 20 per cent. gin, from 30 to 40 per cent.; and wine about 20 per cent., while but little effect has been produced on the price of sugar.

The price of the main necessities of a settler's life have not been, nor could they be, affected by relieving the trade of this district from Customs duties, because they were free by tariff before that policy had effect, and we feel persuaded that no material stimulus has been given to the settlement of the country by the adoption of that policy, nor do we believe that the aid thereby afforded to mining operations has had any such effect on that branch of industry as will justify the risk of contraband transactions, such as we shall presently show to be probable.

We could not discover that any trade between the Free Port and the Red River Settlements had yet taken place. As has already been stated, the Hudson's Bay Company have been the chief importers of dutiable goods, and those goods have chiefly gone to Fort William; the duty on them would have been about \$6,000.00. We are not aware that any provincial interests have been promoted by this sacrifice, nor do we think it likely that this branch of trade has had any tendency to promote commercial transactions between Canada and the British settlements in the Northwest Territory.

Some purchases appear to have been made at the village of St. Mary for American vessels trading to Lake Superior. Those purchases, however, have been of very limited extent and they are the only indications which we discovered of the existence of any trade between the Free Port and mining districts of the United States.

With so wide a frontier as that embraced within the Free Port of Sault St. Mary and the district attached thereto, to every portion of which the trader is permitted to carry goods for the purpose of trading with settlers, Indians, or fishermen, it would be almost impossible to maintain such a preventive service as would guard against the removal of goods with a view to introducing them into other portions of the Province. On the other hand, the shores of the Georgian Bay and of Lake Huron, bordering the fertile and populous counties of Huron, Bruce, Grey, and Simcoe, with numerous bays and indentations, afford abundant opportunities for smuggling goods into a population of more than 150,000 people who are rapidly increasing by the settlement of the Sauguen Peninsula. To guard against the extension of contraband trade along so extensive a coast would require a very great extension of the Custom House service as well as the aid of officers afloat; this extension would involve a very considerable additional outlay, perhaps of as large a sum as that now lost to the revenue by the remission of duty.

#### FREE PORT OF GASPÉ.

As described in the Proclamation, the Free Port of Gaspé, with the district attached thereto, has a coast line on the peninsula of Gaspé of about 250 miles, and on the north shore of about 500 miles, together with the Island of Anticosti and the Magdalen Islands.

Within these limits the undermentioned Port and Sub-ports are maintained for the transaction of Customs business, which is in this case chiefly the collection of statistics:—

##### 1st. Gaspé Basin, or the Free Port proper—

J. C. Belleau, collector .....	Salary \$1,200 00
Chas. C. Fox, landing-waiter .....	" 500 00
Jos. J. Kavanagh, landing-waiter .....	" 600 00
Jn. Perree .....	" 200 00
Office rent .....	50 00
Contingencies, postage, &c. ....	655 03

##### 2nd. Sub-port of Percé—

George LeBouillier, landing-waiter .....	500 00
Office rent .....	50 00

##### 3rd. New Carlisle—

John Fraser, sub-collector .....	450 00
W. F. Meagher, clerk .....	500 00
J. F. Caldwell, preventive officer .....	300 00
Office rent and contingencies .....	198 70

4th. Carleton Place  
Edward

5th. Amherst  
John G.  
Jn. Mc  
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**4th. Carleton—**

Edward Mann.....	\$400 00
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**5th. Amherst, Magdalen Islands—**

John G. Fox, sub-collector.....	800 00
Jn. McCormick, landing-waiter.....	375 00
Office rent .....	48 00
Contingencies .....	261 48

**6th. Seven Islands Bay (North Shore)—**

J. Gow Smith, landing waiter.....	400 00
Office rent, boat service, &c.....	50 00

**7th. Fox River—**

John De St. Croix, preventive officer.....	300 00
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The above sums are apart from certain allowances for arrears of salaries, and are also exclusive of the salaries of those officers who have been removed to other ports. The total, therefore—\$8,038.21—may be taken as the annual cost of the present establishment, as arranged in 1862.

We now beg to refer to the documents submitted herewith, endorsed and numbered as follows, for the general statistics of the port—"F. P. of G., 1 to 12;" "F. P. of G (A, B, C, D, E, F, 1 to 7; G, 1 to 8;" "(H, 1 and 2; I, J, A, 1 and 2." Those documents are abstracts of returns obtained at the Custom House at Quebec, and of other returns made upon our requisition, by Mr. Collector Belleau, all of which returns are herewith submitted.

Referring to the above-mentioned documents, it will be observed that the value of the importations of dutiable goods at Gaspé, with the duty which would have accrued thereon, has been as follows:—

	Value of Goods.	Duty Remitted.
1860 .....	\$286,558 00	No data.
1861 .....	374,729 00	\$65,501 00
1862 .....	420,180 00	77,407 00

We also beg to refer to documents Nos. 9, 10 and 11, being a return of the shipping entered and cleared from the port and sub-ports of Gaspé in 1861 and 1862, from which it will be seen that the foreign tonnage entered inwards has been—

In	U. States.	Other.	Total.
1861.....	3,150	337	3,487
1862.....	1,829	637	2,466

And that clearing outwards has been—

In	U. States.	Other.	Total.
1861.....	3,211	517	3,728
1862.....	1,439	29	1,468

Of this foreign tonnage entering and clearing at Gaspé in the two years named, 4,979 tons has belonged to the United States, 29 tons to France, and 572 tons to Norway.

While at Gaspé Basin we closely enquired into the general manner of conducting the business of the port, and we carefully inspected the books which are there kept.

With respect to the general management of the port, we find that the examination of packages has been altogether discontinued, under the impression that it has become unnecessary since no duties were to be collected. For a similar reason it appears that no declaration is now taken from the ship-master as to the truth of his reports, nor are any measures taken for verifying them.

Ships, not intending to discharge at Gaspé Basin, do not come within two or three miles of the port; they simply send a boat up to make a report. Such vessels are not boarded by any Customs Officer, nor indeed are any vessels boarded for the purpose of examination, whether entering or clearing from the port. Hence, it appears that there has been no restriction or check on the imports or exports of goods, beyond that which may be due to the truthfulness of ship-masters.

We are of opinion that a thorough examination of both ships and cargoes entering and departing is, in the interest of the revenue at other ports, even more necessary here than at ports where the duty is collected. It is an essential precaution against smuggling,



and certainly we can not understand why a vessel should be required to sail a hundred miles, and, in some cases, even a greater distance out of her course, in order to report at Gaspé Basin, if she is not there to be searched and the truth of her report verified. Otherwise the ship might as well go direct to her destination and sent her report by mail.

We now beg to refer to document H, 1 and 2, for an exhibit of the number and tonnage of vessels which have been diverted from their course by the necessity of reporting at Gaspé Basin in 1861 and 1862; and in doing so we beg to direct attention to Mr. Belleau's remark, that they have never been detained in any case half-an-hour by the Custom House; a detention certainly not indicative of a very rigid search.

The books have been kept in a satisfactory manner, but of course the value of their contents is altogether dependent on the correctness of the returns which have been made under the somewhat unsatisfactory conditions above related.

We have much satisfaction in reporting that the Collector and his subordinates are intelligent and fearless in the discharge of their duties.

If the precaution against smuggling out of the Free Port, which we believe to be necessary, were taken, we do not think that any further reduction of the number of employes can be effected. But if, on the other hand, it should be determined that the search of vessels and goods is not essential to the safety of the revenue elsewhere, and that the maintenance of a customs establishment is only necessary for the collection of statistics from such returns and reports as the ship-masters choose to make, then we are of opinion that one officer at each of the ports, where vessels are permitted to clear and enter, would be sufficient for every such purpose.

We have already stated that we proceeded by water from Gaspé Basin to the head of the Bay Chaleurs, returning by land. The extreme point which we visited was Cross Point, on the Restigouche River. This is the residence of Mr. John Fraser, who is also the officer in charge at New Carlisle, distant from Cross Point about 65 miles.

The name of Mr. Fraser also appears in the public accounts in connection with the Sub-ports of Carleton and New Richmond, as well as with that of New Carlisle, and the following payments appear to have been made to him for 1862:—

*1st. In connection with the Port of Gaspé—*

As Sub-collector at New Carlisle.....	\$450 00	
For office rent and fuel at Paspébiac.....	68 00	
“ office rent and fuel at Carleton.....	15 00	
“ office rent at New Richmond.....	11 66	
“ contingencies .....	104 04	
		\$648 70

*2nd. In connection with the Port of New Carlisle—*

For salary as Sub-collector.....	\$450 00	
“ office rent at Cross Point.....	15 00	
“ do at Carleton .....	5 00	
“ contingencies .....	28 35	
		498 35

Total..... \$1,147 05

There is also a preventive officer at Cross Point, Mr. Bonsted, who receives a salary of \$300 per annum. This officer has a range of 26 miles of frontier to guard, which is outside the Free Port limits. This wide extent of frontier is not likely to be very efficiently guarded for so small a consideration, consequently, the intercourse between it and the adjacent Province of New Brunswick, is almost as unrestricted as it is with the Free Port. It is true there are but few inhabitants, but it is said that numerous settlers have gone in with a view to taking up land on the new colonization roads.

Our visit to Cross Point was chiefly for the purpose of meeting Mr. Fraser, who, we were informed when at Paspébiac, had left his office to return home. Unfortunately, we did not succeed in meeting him, having crossed him on the road both going and returning.

Returning along the coast by land, we availed ourselves of every opportunity to collect information on the several matters upon which we are directed to report. We sought it from the merchants, the farmers, the small traders, and from the fishermen.

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We shall now proceed to state, in general terms, the results of our enquiries, and the deductions we have drawn therefrom :—

We were told by the merchants at Gaspé, at Percé, at New Carlisle, and at Paspébiac that the whole advantage of the removal of the customs duties was given to the consumers, that the price of goods had been abated to that extent, that the fishermen had received immense benefits therefrom, that their circumstances had been materially improved, and that the fisheries had been greatly encouraged and stimulated.

On the other hand, such of the consuming classes as we had an opportunity of conversing with—and they include many persons of intelligence—just as strongly insisted, that except a reduction in the price of spirituous liquors, which they looked upon as anything but an advantage, no perceptible reduction in the price of goods had taken place. They say that the principal business has been monopolized by a few merchants, mostly distinguished as the “ Jersey Houses,” who command large capital, and with whom it is useless for small capitalists to attempt competition ; that those monopolists practically control the price of fish, which they regulate by an understanding among themselves ; that the fishermen, who are generally improvident, are usually fitted out by these houses, who also make advances (in goods) to the fishermen during the winter on account of the succeeding season’s fishing, and thereby obtain entire control over them and their property, and generally take care so to determine the price of the fish on the one hand, and of the supplies on the other, as to give them (the merchants) the whole season’s catch for what it costs the fisherman to live through the year.

Probably the truth is somewhere between the two statements. The people have, no doubt, been disappointed ; they were led to believe that all the necessities of life would be cheapened by the establishment of the Free Port, forgetting that the main necessities could not thereby be affected ; flour, pork, grain of all kinds, cattle, lumber, and, indeed, all the principal articles of consumption were free before the new policy came into effect, so also were the supplies essential to the fisheries, such as twine, cod-lines, and seines. Ship building materials were equally free. In the prices of these articles, therefore, the free port system could make no change.

It so happened that almost simultaneously with the establishment of the Free Ports the American Rebellion caused a great advance in the price of cotton goods, which more than counterbalanced the remission of duties. In this advance woollen and linen goods to some extent sympathized, and as the cause of this advance was but little considered, it has been broadly asserted that the duties remitted on goods of their classes has gone entirely into the pockets of the merchants.

A reduction in the price of wines and spirituous liquors has admittedly taken place, not to an amount equivalent to the duties remitted, but enough to make the reduction decidedly felt. But this reduction, the more intelligent of those with whom we conversed looked upon as a positive injury. They say that gin and whiskey are the bane of the fishermen, and that every obstacle should be placed in the way of their use.

A careful sifting of the evidence we have collected brings us to the conclusion, that there has been but little reduction in the price of woollen clothing or in boots and shoes, but that some abatement has been made in the prices of sugars, molasses, and tea, especially when purchased for cash, but there are very few fishermen who can go to the merchant with cash in their hands. The business is done by barter, and the outfit is advanced before the fish are caught which are to pay for it. The result is that, practically, a *quintal* of fish will not bring to the fisherman any greater quantity, either of necessities or luxuries, than it did formerly ; hence we arrived at the conviction, that while the more independent and well-to-do fishermen, who can purchase on terms approximating to cash payments, do participate with the merchants in the reduced prices of the goods freed from duty, the great body of them who are, unfortunately, living from hand to mouth, are not benefited in any material degree. The chief advantage has gone to the principal merchants.

Perhaps, although the advantages thus enjoyed are chiefly felt by the leading merchants, they may still have the effect of encouraging the prosecution of the fisheries by inducing more eagerness for the business, and a greater disposition to adventure. We think this may be true, but we do not believe that the effect thus produced has been very considerable, or is sufficient in itself to justify the exceptional policy which has been adopted with all the risks of contraband trade to which we shall presently refer.

The establishment of a central mart to which foreign shipping would resort for the purchase of fish and ship's stores, and to which the foreign fishermen would also resort for the purchase of supplies, has not been accomplished, and when we examine the surrounding circumstances it is not difficult to account for the failure.

The merchants who conduct their business at Gaspé Basin, hold strongly to the opinion that the limits of the Free Port ought to have been confined to that locality. This, they say, would have created there a centre of trade to which foreign vessels would have resorted. At least, one of those gentlemen holds that the Canadian fishermen should have nothing to do with the export business. They require, he says, all their capital in the business of catching and curing, and it is their interest to sell to the foreigner at their own doors instead of embarking capital in distant trade adventures. He argues that it would be most advantageous to make Gaspé Basin—which is truly a most excellent harbor—the great fish market of Canada, as St. John is that of Newfoundland.

But, on the other hand, we met with gentlemen interested in the trade of other parts of the coast who hold very different opinions. They believe that it would be a great injustice to give Gaspé Basin privileges which would compel the fishermen of the whole coast to take their fish to that place in order to obtain the advantages conferred by the Free Port. Why, they ask, should the fishermen of Paspébiac or Bonaventure be placed at a disadvantage as compared with the fishermen of Gaspé? If the fishermen of the Bay Chaleurs, the Magdalen Islands, and the North Shore could only find at Gaspé a market in which they could purchase goods free of duty, they would, necessarily, sacrifice a considerable portion of their time in carrying their fish there, whereas they now find at Carleton, Paspébiac, Percé and Amherst, a market at their own doors, both for the sale of fish and purchase of supplies. If compelled to go to Gaspé Basin, the fisherman would lose as much of his time as would more than counterbalance any advantages derived from the remission of duty.

But in truth the anticipation of those who expected to induce the resort of foreign shipping to Gaspé, by conceding absolute freedom of trade, are fallacious. To permit a foreign vessel to purchase her supplies in any of our ports, free of our Custom duties, is no advantage, nor will the permission ever be availed of to any extent. An English vessel fitting out at any British port can purchase all her outfit in bond, and, therefore, free of duty. So it is with the Spanish, French, Italian or other foreign vessels fitting out in their respective ports. Why then should they come to Gaspé? Why defer their purchases of sea-stores until they reach a port where the profits of at least one more dealer, and the charges incidental to a sea voyage, must necessarily be added to the price of goods which they might have purchased at home at first cost? Every business consideration would be an argument against such a transaction. The foreign ship-owner would not depute to his ship-master the purchase of any stores which he could lay in under his own immediate supervision.

The American fishing vessels, fitted out at the ports of Maine or Massachusetts, can purchase every store they require as free of duty there as they can at Gaspé, and they are, in fact, invariably supplied, not only with every requisite for their own voyage, but also with surplus store and tackle, which they sell to a very considerable extent to the Canadian fishermen, at rates lower than they can be purchased from our own merchants.

The only supplies of which the price has been affected by the Free Port policy are, as previously shewn, wines, liquors, groceries and clothing. All these can be purchased in bond at Boston or Portland, or at other foreign ports, cheaper than they can be purchased at Gaspé even after the duty has been remitted, because at those larger markets the competition is greater.

These considerations, and the returns submitted herewith, which the Free Port or district conclusively establish in our minds, that the Free Port has failed to attract foreign shipping, and that there are no reasons for anticipating other results in the future.

We may now refer to the regulations in force in respect of the trade of the several outports dependent on Gaspé, and more especially to the inconvenience now felt at several important points in consequence of the requirement that all vessels shall first report at Gaspé Basin.

As now interpreted, the Free Port Regulations require that vessels clearing from other than Canadian ports, and bound to any part whatever of the free port district, shall proceed to Gaspé Basin and there report before proceeding to their destination. In like

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manner a vessel leaving any part of the free port district, having on board any cargo except Canadian produce, must also go to Gaspé Basin to report outwards.

Thus, it appears, that a vessel bound for Paspébiac, if cleared from Halifax, must report at Gaspé, adding 120 miles to her voyage; a vessel from Carraquet must sail nine times the distance otherwise necessary. Again, a vessel from Carleton bound to Dalhousie, Bathurst, or to a foreign port must, if she has on board any goods not the produce of Canada, prolong her voyage by proceeding to Gaspé Basin for a clearance.

As illustrative of the inconvenience of this regulation, and of the manner in which it affects trade, we may mention one or two circumstances that came to our knowledge. At Paspébiac the Messrs. Robin generally have a vessel on the stocks in course of construction. For her timber-heads and for planking her topsides they import juniper from an establishment which they have at Carraquet, on the opposite side of the Bay of Chaleurs. By the regulations, the vessel bringing this timber should proceed to Gaspé Basin, making a voyage of about 150 miles, when the direct distance is not more than 20 miles. Again, the same firm purchased a lot of sugar at Halifax, but because the vessel bringing it to Paspébiac would be required first to report at Gaspé, no vessel could be induced to take the freight unless at immoderate rates.

We were informed that so much is this inconvenience felt at the Magdalen Islands that the merchants would prefer paying duty on the goods to submitting to the expenses and delay incidental to a voyage to Gaspé to report.

The regulations also operate very hardly on the inhabitants settled along the shores of the Bay Chaleurs, who formerly bought their sawed lumber in New Brunswick, but who are now cut off from that market by the restrictions on the trade above alluded to.

As might be expected the restrictions are evaded, and a contraband trade, not for the evasion of duties, but for the evasion of the regulations, is carried on, and the people are thereby demoralized and taught to hold the law in but little respect.

We have failed to discover any value in these onerous restrictions, and we beg to submit that vessels should be allowed to enter at and clear from any of the Sub-ports where a Customs Officer is stationed, certainly at Paspébiac, Carleton, Percé, and Amherst.

That there is a very considerable contraband trade carried on between the Free Port of Gaspé and the shores of the Lower St. Lawrence, even as far up as Quebec, we are constrained to believe by all the information we were enabled to collect. This Branch of our enquiry we pursued, while inspecting the Port of Quebec, after our return from Gaspé, and we found that the Custom house officers here generally agreed with us in that opinion; certainly there is but little check on the operations of the smuggler. A vessel may load with goods in bond at Quebec for Gaspé, report at the Basin as about to proceed to the north shore or elsewhere to trade, and may immediately return to the river and dispose of her cargo along shore. Indeed the goods may return to Quebec in the same vessel, since, as a coasting craft, she would not be required to report, under the routine of business heretofore permitted. Or the goods may find their way back by Railway being landed, perhaps, at River du Loup or any intermediate place; or, as it is believed sometimes happens, they may be disposed of by false packing. In short, to guard against the numerous opportunities for smuggling out of the Free Ports to the other parts of Canada, would require as much vigilance and as great a preventive force as is necessary for guarding our frontier on the Lakes. The surveillance is even more difficult because the profits on smuggled goods would be greater. Goods which were formerly smuggled in from the United States are now so highly taxed there that there is now scarcely any incentive to contraband trade in tea, sugar, wine and liquors. But brought in from the Free Ports the contrabandist gains a premium equal to our full customs tariff.

As against this contraband trade hardly any preventive service can be efficient without the aid of Revenue cutters for watching the operations of suspected vessels, and such an addition to the service could not be maintained without adding greatly to our outlay.

We had strong reasons for believing that the facilities offered by the Free Ports are also taken advantage of for the purpose of smuggling into New Brunswick; of course our revenue suffers nothing from this cause, but it does inflict loss on our neighbors, and, what is of great consequence to us, our own people, like all who engage in contraband transactions, are inevitably demoralized thereby.

We made such enquiries as our opportunities permitted as to the effect which the in-

auguration of absolute free trade has had on the settlement of the country by emigrants likely to engage in agricultural pursuits. All those with whom we conversed on this subject concurred in the opinion that no effect has, as yet, been produced and generally it was believed that none would be.

The agriculturist seeks fertile lands and favorable climate. As against those considerations the duties on tea and sugar—luxuries which first settlers seldom enjoy,—or on spirits—which he generally recognizes as his bane—are of no weight.

The Norwegians who, some time since, settled near Malbaie had nearly all left when we were at that place. They were induced to remove chiefly by the glowing accounts as to the fertile soil and excellent climate of Wisconsin and other Western States, brought to them by their countrymen who had settled in the Far West. They had also been discouraged by late frosts which had injured their crops.

Along the coast of the Bay Chaleurs the lands are nearly all occupied, and there are excellent farms, well fenced and well cultivated. Everywhere we had the most encouraging accounts of the productiveness of the soil, which is greatly stimulated by manure formed of seaweed obtained on the beach. This cultivated belt does not extend to any great distance from the beach, its breadth not averaging perhaps more than three or four miles; but it is said that there are large tracts of land, extending up the valleys of the numerous streams, which are susceptible of improvement and which would yield good returns to the husbandman. Nevertheless, the climate is undoubtedly severe, less so on this coast than on the shores of the St. Lawrence, but yet severe enough to deter farmers from clearing lands, except near the beach, where the fisheries afford a profitable market, and where some members of every household generally engage in the business of fishing.

In conclusion, we beg to say that we were highly impressed with the importance of the commercial interests which we found in existence in the districts through which we journeyed. We find a broad territory, teeming with wealth, and inhabited by a hardy and industrious population. We met with mercantile establishments, whose wealth has been accumulated through a long series of years by the development of the resources of these districts. There are merchants, in the largest sense of the term, fitting out their ships for Brazils, the Mediterranean and Spain, as well as for Great Britain, and while we are impressed with the conviction that the Free Port policy has failed to accomplish the objects aimed at, we are equally convinced that the interests of Gaspé deserve the utmost care and consideration of the Government.

All of which is respectfully submitted.

We have the honor to be, Sir,

Your most obedient servants,

(Signed,)

THOS. WORTHINGTON,

Asst. Com. of Customs and Excise.

(Signed,)

A. BRUNEL,

Associate Inspector of Ports.

R. S. M. Bouchette, Esq.,  
Commissioner of Customs and Excise.

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# REPORT

## ON THE

### FREE PORT OF SAULT STE. MARIE.

OCTOBER, 1864.

C. E. ANDERSON.

FINANCE DEPARTMENT, CUSTOMS,  
Quebec, 10th October, 1864.

SIR,—In accordance with instructions conveyed to me by your official communication of 16th July last, directing me to proceed to the "Free Port of Sault Ste. Marie," extending from "Waddell's Mills," on Lake Huron, to the western limits of the Province on Lake Superior, &c., to make the necessary enquiries into the working of the Free Port, and the state of trade in that section of the Province; and to report the result of such enquiry to you for the information of the Honorable the Minister of Finance.

I have now the honor to inform you that, acting on your letter of instructions referred to, I have just returned from visiting the various points of interest on the north shore of Lakes Huron and Superior, as *hereinafter detailed*, within the precincts of the Free Port of Sault Ste. Marie; and in order to obtain useful information, and for the sake of comparison, I conceived it also my duty to visit various very important points on the south or United States side of Lake Superior, where I was given to understand extensive mining operations were being carried on; and I herewith have the honor to submit the result of my observations and enquiries.

I may premise by stating that I have looked upon the object and intention of establishing the Free Port of Sault Ste. Marie as being, to a certain extent, for the purpose of inducing settlers to locate in that section of the Province, and that, under the Act which came into force in January, 1861, the admission of goods duty-free was to be looked upon, not only as an inducement, but as a great boon to the settler, and it was, no doubt, hoped and not unreasonably, that considerable progress would ere this have been made in developing the commercial, mineral, and agricultural resources of the District of Algoma by a largely increased, industrious and enterprising population.

It therefore becomes, I may say, one of the most important points of my report to lay before you, for the information of the Honorable the Finance Minister, my respectful opinion as to how far the hopes of success of the founders of the Free Port policy, in so far as Sault Ste. Marie is concerned, have been realized; and if the policy has not been so far successful, to endeavor to shew why it has not been so, and respectfully to suggest such remedies as, in my humble opinion, would make it successful, and otherwise advance the prosperity of the District.

I have not and, under my instructions, could not look upon the simple examination of the Collector of Customs' books and records, as constituting inspecting the Port of Sault Ste. Marie, such a course may be all that is necessary in many of the Ports of Entry of the Province, but, as regards the Port of Sault Ste. Marie, I should certainly feel that I had failed in my duty had such an inspection satisfied me. I state this now in order, to some extent, to account for the apparent length of time occupied by me, and I entertain the hope that when my report has been read and fully considered, that the large amount of various



information it contains, relative to that most important portion of the Province, will fully warrant the time taken to obtain it, and will, I feel confident, be of material service to the country if acted on.

On my arrival at the village of Sault Ste. Marie as directed by your instructions, I at once put myself in communication with the Collector of Customs, Mr. Wilson, and made arrangements for his accompanying me, with the Custom House boat, to the various points to be visited on Lake Huron, and to which there are no other means of communication.

But, previous to starting, I made it my business to call upon three merchants doing the principal business at the Sault, viz.,—Messrs. Davidson, Phipps and Karney, in order to get their views as to the working of the Free Port Act, and from them I at once learned that it was not working satisfactorily, and from the Honorable Colonel Prince and several other respectable persons with families, I also learned that, with the exception of wines, spirits and groceries, almost everything else could be bought cheaper in Toronto—so far on this point there was no great inducement for settlers to come in.

The cause I found to be as follows,—there is no difficulty in purchasing in Toronto or in any of the large towns, a general and at the same time small assortment of groceries, wines, spirits, and even staple dry goods—such as blankets, cottons, prints, &c., in bond, thus saving the duty—but what may be termed shelf fancy drygoods, silks, small articles, or German goods, small hardware, &c., &c., are, in nine cases out of ten, bought from the importer's shelves *after duty has been paid on them*. Also the large and important article of Ready-made Clothing.

I am of course aware, and I pointed out to the merchants in question, that under clause No. 3 of "the Regulations governing the trade of the Free Port of Sault Ste. Marie," they were allowed the privilege of sorting in bond, under certain restrictions, such goods as may be required for the markets of the Free Port, provided the assortment made up be a package of not less value than \$200. They stated they were aware of this, but still it did not answer the purpose, as importers, as a general rule, were not in the habit of keeping what may be termed variety-goods in bond, and even as regards staple goods they did not care about breaking bulk in bond, while whole packages, even of staple goods, were larger quantities than were required for country stores.

The Act thus became, to a great extent, inoperative, and the general practice was to purchase this class of goods from the importer's shelves, after duty had been paid.

I then pointed out the their propriety of sending their orders to Europe direct, through the houses they dealt with in Canada; when I was met with the reply, that those who were in a position to do so had adopted that course, but they did not find it at all advantageous, inasmuch as their agents charged them a commission of 12½ per cent. for purchasing, and in almost every case sent them out certain goods quite unsuitable for the market, and they thus had their shelves filled with unsalable goods.

I then pointed out the course of going to Europe themselves to purchase their stock, but was, of course, at once met with the reply, that they thus far could not afford any such expense, and, under any circumstances, it was only the man of capital who could do so, thus placing the small shop-keeper at a great disadvantage.

A course then presented itself to my mind which I thought practicable, and which I submitted to them, as follows, and which entirely met their approval, and, as they stated themselves, would put the small and large dealer on a par, and fully carry out what they conceived to be the intention of the Free Port policy.

Thus—Let the Free Port merchant go into any wholesale importing house in Toronto or elsewhere, let him pick out his assortment of goods, which he cannot purchase to advantage in bond from the importer's store shelves, let the invoice of these goods be made with a starting or prime cost column as well as a selling column (importers, in a great many cases, are in the habit of selling to their customers at a certain percentage on the prime cost, so that there would be no objection to this mode on the part of the importer in giving his cost price), let a form of entry be made at the Custom House for these goods, that they are for the Free Port of Sault Ste. Marie, let them be marked and leaded by the Custom House authorities, and so soon as a certificate has been received from the Custom House that these goods, according to marks and numbers, are within the precincts of the Free Port of Sault Ste. Marie, let the drawback or amount of duty which has been paid be refunded to the importer—of course

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after satisfactory proof has been given to the Collector that the goods in question have been imported and duty been paid on them.

On passing through Toronto I submitted this scheme to the Collector, Mr. Spence, and consulted with him as to the working of it, he quite coincided with my views and authorized me to state that he saw no difficulty in carrying it out with perfect safety to the revenue, in so far as the Port of Toronto was concerned; and he also acquiesced in the view that it would be of essential service to the success of the Free Port policy at "Sault Ste. Marie."

With regard to the article of ready made clothing, it is somewhat more difficult to deal with, it is a large and important article of traffic in the region referred to, and to a great extent monopolized by the Hudson's Bay Company, still I am of opinion that a system could be adopted that would be advantageous to the manufacturer in Canada, carry out the intention of the Free Port Act of 1861, and at the same time protect the revenue from fraud.

Thus—Let the Free Port merchant purchase his clothing at any of the wholesale manufacturing establishments in Toronto, of which there are several on a very extensive scale;

Let the manufacturer, under oath, declare as to the sterling cost of the cloth employed in the manufacture of the clothing sold, that duty has been paid on same, and on proof from the Custom House at the Free Port that the clothing has been duly landed for the purposes of trade within the precincts of the Port, let the drawback be paid to the manufacturer.

A somewhat similar course has been followed with regard to military clothing made in Canada, and although I am aware that in both cases cited it may cause a little more trouble to the department, still, in a matter of so much importance as materially benefitting the people and trade of a district one day destined to be important, it is a question whether a little extra trouble should be at all considered.

I can see a danger to the revenue in the matter in question in only one way, viz.: with regard to Canadian manufactured cloths and blankets; I mentioned this to Mr Spence, the Collector of Toronto, who stated that he, with very little trouble, could so arrange that the revenue would be quite safe.

At the present moment, in fact under existing regulations, the door is quite as much open to fraud. Permit me to cite a case: A merchant from "Little Current," one of the sub-ports of Sault Ste. Marie and 150 miles east of same, goes to Quebec and purchases goods in bond to the value of say £2,000, bonds are given and he gets his goods; he proceeds to Montreal where he disposes of £1,000 of them, or perhaps he exchanges, along the route, a bale of cottons for a bale of silks; the other £1,000 worth he proceeds with to his store at "Little Current;" there is no Custom House or officer there, and he sends his clerk to Sault Ste. Marie to make his entry; the clerk enters the £2,000, perhaps knowing nothing of the £1,000 sold in Montreal; the bonds are cancelled and the revenue is defrauded of the duty on £1,000 worth of goods, and no one is the wiser. I cite this as an instance to show to what extent the revenue may, in this manner, be defrauded.

The question very naturally presents itself, it what way can this be prevented? The course I would suggest would be,—that as there are really only two Ports for the shipment of goods for the Free Port of Sault Ste. Marie, viz. Sarnia and Collingwood, that goods bought and intended for the Free Port should be shipped or forwarded in bond to either of the above Ports direct, being marked, numbered and sealed or leaded, and on the certificate of the Collector at Sault Ste. Marie that the goods have been received within the precincts of his port, he or one of his landing waiters having duly examined the goods, the Collector at the port where the goods were in the first place shipped, would then cancel the bonds. I, of course, mean that a landing waiter should be appointed at Little Current, where every steamer and vessel must pass and where they should be obliged to call and report; there is abundance of water for the largest steamers and vessels, and being a point where they generally call and the former wood.

In this latter clause I refer specially to steamers and vessels from Collingwood and neighborhood, those from Sarnia would take the "Bruce Mines" naturally as being the first sub-port on their route to report, and there is a landing waiter stationed there.

It could not, I imagine, possibly be expected that merchants importing goods for the purposes of trade, at the easterly end of Lake Huron within the precincts of the Free Port

could be expected to proceed with their goods to the Bruce Mines or Sault Ste. Marie for entry and examination and then return with them to Killarney or Waddell's Mills, a distance of nearly 200 miles. In fact, by the regulations of the Port of 26th April, 1861, Wik-em-i-kong and Waie-bidgi-wang or Little Current, on the Great Manitoulin Island, are made sub-ports of Sault Ste. Marie, for the convenience of trade, and at the time the late Mr. Ironsides, Superintendent of Indian Affairs at Manitowaning, was a landing waiter in the Department at \$200 per annum, and could, of course, receive reports and entries, and thus the trouble and expense of going to the Bruce Mines or Sault Ste. Marie was saved; but since Mr. Ironsides' death the Department has not deemed it expedient to appoint a successor; but should that now be deemed necessary, I would suggest that the appointment be made at Little Current where every vessel must pass, being on the channel; and not at Manitowaning which is 25 miles out of the way of the usual navigation and where there is neither wharf nor accommodation for wooding, whereas both these requisites are to be found at Little Current.

I have made special enquiry as to the correctness of the various rumours afloat regarding the smuggling of goods out of the Free Port after they have been entered, but I have been unable to trace any foundation for such rumour.

Having so far pointed out what I conceive stands in the way of the good working of the Free Port, and which may be in the power of the Department to remedy, I would now, with your permission, respectfully beg to submit a statistical sketch of the various points I have visited, pointing out, as I proceed, what appear to me barriers and impediments to the carrying out of the Free Trade policy, and the remedy for which does not lie within the scope of the Customs Department.

It is of no use whatever for the Finance Minister of the Province to attempt to advance the district of Algoma by admitting goods duty free, and by this means hope to induce settlers to come in, while the policy of other departments of the Government has been, and continue to have a tendency not only to deter people from entering the district for settlement, but is actually driving many old settlers out of the district to the United States.

I refer, in the first place particularly, to the various "Rules and Regulations" issued from time to time by various Governments and Departments of Governments, relative to encouraging the settlement of the North Western Territory.

I freely accord to them *all* the fullest credit for good intentions, and humbly submit that in so far as they have failed to be successful, they have erred simply from the want of being in possession of the necessary knowledge at the time, and not from any want of good will or desire to promote the well-being of the district.

Taking into consideration the soil, the climate, and the geographical position of the territory, I feel justified in saying that although the country is capable of supporting, in the aggregate, a considerable agricultural population, and of affording and supplying them with the necessaries of life, still, the success of the farmer in that territory will, in a great measure, depend on his having a good customer for his produce within a reasonable distance, and such he is only likely to find in the mining population. Thus, the settlement of the country by agriculturists, may be considered mainly dependant on the successful working of its mines.

Without entering on a description of the various metallic ores found on the north shores of Lakes Huron and Superior, or the extent of the mineral region itself, which is pretty well known, it may be observed that in the first place it is necessary that somebody should find a mineral deposit before it can be worked. Discourage and hamper the explorer, and you prevent the discovery of ores, which, if found, would more than likely be worked, and become mines.

In order to understand fully in what respect explorers may be hampered and discouraged by the "Rules and Regulations" in relation to mineral lands, it is necessary to know somewhat of the circumstances of the explorer. Generally speaking, this may be summed up in a few words—he is almost always a poor man.

He may be, and not unfrequently is, a gentleman by birth and education. Oxford and Cambridge have furnished explorers on the upper lakes. The legal, medical, and even clerical professions have been at various times represented, and one of the most valuable locations yet discovered in this region, is said to have been discovered by a lady.

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A few practical miners have turned their attention to exploring on the north shore, but very, very few compared with the numbers who would have engaged in that pursuit, had the "Rules and Regulations" hitherto enforced, been adapted to the circumstances of that most important class.

As I have already stated, explorers are men, as a class, of limited means, and in legislating in regard to mineral lands, this common condition seems to have been lost sight of.

When attention was first strongly directed to the mineral region, the *North West*, in consequence of valuable discoveries made on the south, or United States shore of Lake Superior in 1845 and 1846, the Government was pleased to legislate on the subject, and did so by exacting that mineral lands could only be purchased in blocks or locations, the limits of which were to be not less than two miles in front by five miles in depth. Thus, an area of ten square miles or 6,400 acres, for which the explorer was asked to pay \$1 per acre, say \$6,400, \$600 down, and the balance in annual instalments, with interest.

It is easy to see that such a regulation was fatal to individual enterprise. The practical explorers, able for the work, willing to encounter the hardship and exposure, and to seek earnestly, carefully and diligently for the rich deposits of ore which undoubtedly exist in that region, was unable to explore on his own account and for his own immediate benefit, and was thus entirely discouraged.

The search after the hidden treasure of the earth devolved either upon men, already rich, or on wealthy companies, and the work was done by hired deputies. Many companies engaged in the enterprise. Geologists, mineralogists, surveyors, miners and voyageurs were employed, and a perfect scramble for mineral lands occurred. Not less than 400 square miles were located on the north shore of Lake Superior, and 200 square miles on Lake Huron, say 60 locations, about 600 square miles in all, under these regulations.

This was not exploring for veins or lodes, it was rather exploring for rocks of that particular description which contained metallic veins, than for veins themselves.

Greenstone trap on Lake Huron and amygdaloidal trap on Lake Superior, were the favorite formations, and the existence of such on the lake shore or front containing, as these rocks almost invariably do, small veins of copper ore or native copper, was held at that time quite sufficient inducement to take up the land, not one-tenth part of which was then or has since been explored.

It would occupy too much time and space to enter on any detail of the explorations and other operations carried on by the companies then engaged therein, suffice it to say that prior to the year 1852, all operations except those carried on by the Montreal Mining Company, at the Bruce Mines, had ended, and in 1854 or 1855, the Government found that the existing Regulations had not worked well, but had given a monopoly of the most accessible and promising mineral land to parties who were doing nothing themselves, and yet stood in the way of others wishing to explore them.

On few of the locations had more than the first instalments been paid, and on many only the \$600 deposit, still the unwillingness of the Government to declare them forfeited has virtually taken such out of the market until quite recently.

In or about 1854, however, a new Regulation was made, which was something to the effect that mining locations in future should embrace 400 acres only, and be charged for at the rate of one dollar and a half per acre. A few locations were taken upon these terms, but nothing like an impetus was given to exploration generally. This Regulation also required that the mines should be worked—compulsory.

In 1858 another Regulation came out, requiring a license, even to explore, at a cost of \$100.

In 1862 another change was made in the mode of disposing of mining locations, by levying a Royalty of  $2\frac{1}{2}$  per cent. on all ores extracted, payable in cash on the value of the ore prepared for market at the mine, and allowing letters-patent to be issued on payment of the purchase-money, without any additional conditions.

Much dissatisfaction was felt at the imposition of this Royalty, which would in effect reduce the value of a really good location one-half to its discoverer and purchaser.

For instance, if the explorer, after uncovering and opening up the lode on his location, proposed to lease it to a mining company, no English or Canadian Company would pay a higher Royalty, as rent, to the owner, than 5 per cent., unless it was richer than any yet found on Lake Superior, and such is actually the Royalty now paid by the Canada

West Mining Company for their lease of the Wellington and Huron Copper Bay Mines at the Bruce Mines, and the richest yet known in that region; so that the Government, in exacting a Royalty of  $2\frac{1}{2}$  per cent., was actually taxing the explorer 50 per cent. on all the prospective advantage he expected to derive from his toil and labor. The pursuit was hazardous and unremunerative enough before, and this regulation reduced the prizes to one-half. Such a regulation could hardly be satisfactory to the explorer, or afford him much encouragement.

I now come to the latest Rules and Regulations, as under:—

#### MINERAL LANDS.

DEPARTMENT OF CROWN LANDS,  
Quebec, 3rd March, 1864.

*Regulations for the Sale of Mineral Lands, approved by His Excellency the Governor General in Council.*

1. That the tracts shall comprise not more than four hundred acres.
2. That the dimensions of the tracts in unsurveyed territory be forty chains in front by one hundred chains in depth, and bounded by lines running due North and South, and East and West, or as near to these dimensions as the configuration of the locality will admit.
3. The applicant for a tract in unsurveyed territory must furnish a plan and description thereof by a Provincial Land Surveyor.
4. The price shall be one dollar an acre, payable on the sale.
5. That a tax or duty of one dollar per ton be charged on all ores extracted from the tract, payable on removal from the mine.  
This condition applies to all mining lands sold since the 1st day of April, 1862, and is in lieu of the Royalty of two and a half per cent. chargeable on the ores of these lands.
6. That in surveyed townships, lots presenting indications of minerals, be sold on the above conditions, but at not less than one dollar per acre in any township, and at the same price as the other lands in the township when it is more than one dollar per acre.
7. That not more than one tract of four hundred acres be sold to one person.
8. The above regulations do not apply to mines of gold and silver.
9. All previous regulations inconsistent with the above are cancelled.

WM. McDOUGALL, Commissioner.

~~For~~ All Locations of Mineral Lands on the North Shores of Lakes Huron and Superior, and on the adjacent islands, which, on the 15th March, 1861, were liable to forfeiture for non-performance of conditions of sale and location, and which have remained liable to forfeiture to the present time, are forfeited.

The locatees, and their assignees, provided the assignments were made before the date hereof, are allowed to apply the payments they may have made on any location, over and above the deposit, or first instalment, towards the purchase of the same, or any other location which shall be open for sale at the date of their application so applied; but such application shall be regarded as a new purchase, subject to existing regulations, and must be filed in the Department of Crown Lands on or before the first day of November, A.D., 1864.

WM. McD., Com.

Some parties are of opinion that although the area of the tracts to be taken up under this regulation, *cannot exceed* 400 acres, the general tenor and meaning of the regulation will permit them to purchase *less* than 400 acres, even if unsurveyed land, provided the direction of the lines, as run by the surveyor when located, be due North and South, East and West, and the proportion of the *breadth* of such location bears its *length*, be as 40c. to 100c., and if this construction be put on the regulation by the Crown Land Department, it will be a great boon to the hard working *bonâ fide* explorer, who has hitherto been greatly discouraged by the necessity forced upon him of purchasing more land than he wanted, or his slender means would allow him to pay for.

This regulation, however, in so far as it required the tract to be  $2\frac{1}{2}$  times the breadth, *i. e.*, 40c. East and West, 100c. North and South, is looked upon as a *mistake*, and mining men

inform me that they are concerned.

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inform me there can be no motive for, or advantage gained, by it, as far as the Crown is concerned.

The lodes or veins most frequently run East and West, or not more than 45° North or South of that course. Suppose the extreme deviation that of a lode running West 45° North, an explorer wishing to secure as much as possible of such a lode, would be obliged, under the present regulations, to take up a tract of 40c.  $\times$  100c., or 400 acres, at a cost of \$400 cash, whereas, by so managing that the lode should form the diagonal of a  $\frac{1}{2}$  section, 40c.  $\times$  40., he would obtain precisely the same length of the lode as before, and that at a cost of \$160 instead of \$400, a matter of great importance in nine cases out of ten to the hard-working explorer.

It is good policy to give the purchaser the option of taking 400 acres, should he so desire it, but it is bad policy to compel him, with 160 acres which he wants, to take 240 more that he may think entirely worthless, and which he may not have the means to pay for.

The next point which calls for notice is clause No. 5 of the regulations, which imposes a tax or duty of one dollar per ton on all ores alike, without reference either to difference of value, of quality, or description (except gold and silver).

For instance—

	Value.	Tax.
On native copper, worth say.....	\$400 per ton	\$1 = $\frac{1}{4}$ per ct.
“ dressed copper ore—20 per cent.....	80 “	1 = 1 $\frac{1}{4}$ “
“ poor “ “ —10 “ .....	30 “	1 = 3 $\frac{1}{4}$ “
“ lead “ .....	75 “	1 = 1 $\frac{1}{4}$ “
“ zinc “ .....	15 “	1 = 6 $\frac{1}{4}$ “
“ iron “ .....	3 “	1 = 33 $\frac{1}{4}$ “

This clause is very objectionable on the same grounds as the 2 $\frac{1}{4}$  per cent. of royalty which it supersedes, it is also very unsound in principle, and there is a general cry that it should be abandoned altogether.

The tax on the south or U.S. side of Lake Superior is one dollar per ton on native copper and ten cents per ton on iron ore—payable in Greenbacks—and the whole revenue from that tax is paid into the hands of the County Treasurer, and expended for local improvements, such as roads, bridges, &c., in the mining region; whereas our tax is to be paid into the Provincial Chest.

The forfeiture of all locations of mineral lands which, on 15th March, 1861, were liable to forfeiture for non-performance of conditions, was hailed with satisfaction and approval by all the explorers and others interested in the success of mining enterprise on the Upper Lakes.

Legislation has hitherto never brought the mineral lands of the North West within the reach of the working man; and until it does so, the mineral resources of that country will never be fairly and fully tested. It is humiliating to a Canadian to visit the south shore of Lake Superior, with its numerous mines, its towns and villages, and rapidly increasing population and trade, all the growth of 20 years, and compare this very prosperous condition of that country with the almost utter desolation on the north shore; and perhaps hear some kind friend intimate that the difference is owing entirely to the lack of enterprise, skill and energy of the Canadian as compared with the American.

The comparison is humiliating, and, to some extent, unjust as regards the people.

On the U. S. side, for a time, almost every working man and miner was an explorer, and if he found any ores on public land he could secure it for \$50—that being the cost of a 40 acre lot.

Let our Government give the miner and explorer the same chance, and I have no hesitation in stating that the north shore will also, in 20 years hence, be a thriving and prosperous country, presenting a great contrast to what it is at the present moment.

Permit me further to bring under your notice, difficulties which further discourage explorations under the present regulations in reference to mineral lands.

A man of limited means goes out to explore, and, in course of time, finds a lode, which, after some labor spent on it, with such tools as he can carry with him on such expeditions, has a pretty good appearance at one or two points;



He would like to open it up and examine it more fully before risking, perhaps, all he has in the world on it ;

He goes to Sault Ste. Marie, perhaps 50 or 300 miles distant, as the case may be, for the only Provincial Land Surveyor in the territory. If he is disengaged it is well, if not he must wait or send to Toronto for a Surveyor. The survey now being completed, the poor explorer must now set off for Quebec—he knows no one there he can trust, and feels it necessary to go himself—arrived at Quebec, he is a lucky man if he does not find his discovery to be situated on the Location of some "Fossil Company" which, in spite of "Orders in Council" and "Declarations of Forfeiture" have still sufficient power to occasion difficulties and delays, if not to defeat the claims of those who, like him, have acted in good faith, believing that the Department would stand by their own public declarations. Or, perhaps he may find, on his arrival in Quebec, that by some under-handed means a sketch of his location has reached Quebec before him, and he finds it taken up in the name of some party, who, perhaps, had never seen or heard of Lakes Huron or Superior, or their mines and minerals.

The latter is what is termed "jumping claims," a system which has done more to retard mining operations in that country than anything else.

The expense and loss of time entailed by such a system, and the want of confidence on the part of the explorer that it creates, discourages exploration, prevents the discovery of valuable mines, which, if worked, would bring into the country capital, and a large mining population, which mining population, again, would afford an excellent home market for a considerable agricultural population, and the prosperity of that part of the Province would, I conceive, be established on a sure and satisfactory basis.

Having thus far given the result of my enquiries as regards mining operations within the precincts of the Port of Sault Ste. Marie—certainly a most important matter of trade and one on which the prosperity of the District of Algoma so much depends,—I shall now proceed to give some general and statistical information on the various points visited.

#### SAULT STE. MARIE

A village containing about 400 inhabitants. Settled by the French in 1668.

It has been regularly surveyed and divided into town lots of half an acre each, for sale at \$10 per lot. All the front lots have been taken up and are in the hands of speculators, few having been built upon, and as, so far, there are no taxes to pay by which means they can afford to hold the lots, greatly retarding the growth of the village. However, six lots about the centre of the village—say three acres—have been appropriated for a gaol and court-house for the District, and for the building of which an appropriation of \$8,000 has been made by Parliament. The three acres has been partly cleared up, the foundation dug out and the stone work of same completed, when, for some reason no one could explain to me, the work has been stopped, and the foundation, which must have cost a considerable sum of money, going to ruin as fast as possible. I am informed that if the gaol and court-house were completed, the remaining unsold village lots would be taken up immediately and built upon.

What is now used as a gaol, court-house, registrar's office, county attorney's office, sheriff's office, sheriff's dwelling-house, and gaoler's dwelling-house, is a 45 year old stone building at east end of the village plot, and for which the Government are paying a rental of \$300 per annum. There is a centre square building which contains all the offices, &c., above named, except the gaol, and it consists of two dungeons, one to the right and the other to the left of the centre building. These dungeons were formerly the Joe house and dairy, or root house of the "Ermatinger family," and the whole establishment I consider most unsuitable in every respect. There is one very important point connected with this court-house to which I conceive the attention of the Government ought to be specially drawn, viz.: the registry office for the district. It is kept in a room in the court-house, with a common shilling lock on the door. The register books, deeds and mortgages, &c., amounting to between 300 to 400, are kept in the same room, without any protection from fire, there being neither vault nor iron safe in the building. The registrar, Colonel Savage, lives on the United States side of the river, and, I was informed by several parties there, had given no security for the duties of his office.

I duly examined the Collector of Customs books, and found them correct, and every-

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thing orderly and regular in his office. Mr. Wilson's salary is \$700 per annum, and \$40 per annum for office rent and fuel. The winter may be called six months, and fuel is worth \$3 per cord, and similar accommodation could not be found in the place for less than \$100 a year. Mr. Wilson is a most zealous and energetic officer, and respected by the whole community. He has requested me to state that his present salary does not support his family.

In addition to his duties as collector, Mr. Wilson has under his charge and supervision a 30 feet keel boat and trappings, the property of the Department, and which is indispensably necessary in that part of the Province for the public service. He has built a boat-house at a cost to himself of \$100, for the safe-keeping of the boat; and it is most satisfactory to the official who is necessitated to call on Mr. Wilson for his services and the boat, to find everything in such perfect order, and surrounded with such comfort for a journey of some 400 to 500 miles, by water, in an open boat. The only difficulty seemed to be the getting a proper crew of four men.

Mr. Wilson suggests that he might be allowed to keep four men, whom he could have in thorough training, to pay \$4 per month each, during the season of navigation, say six months, equal to \$100, and when employed on the public service the current wages of the day. By this course a good boat's crew could always be depended on, as well as a good boat in good order, and as Mr. Wilson is frequently called upon to use a boat in the service of the Crown Land and Indian Departments, both of these Departments might be called upon to contribute towards the support of the boat's crew.

Mr. Wilson further suggests a course by which a revenue could be raised in the district sufficient to keep up both boat and crew, and which would certainly be of essential service to the district of Algoma, both socially and morally at the same time. There is a cry from one end of the district to the other that drunkenness is increasing among the Indians, and it is an established fact that an Indian will give the shirt off his back for a glass of whisky, and it is firmly believed that spirits are given to the Indians by the traders both ashore and afloat, but the difficulty lays in tracing it; no one feels disposed to turn informer. Mr. Wilson suggests that every Indian trader should be called upon to take out a license as such, and a charge made for same of not less than \$20 per annum, besides entering into bonds with two good and responsible securities, that they will neither directly nor indirectly sell or give spirits of any kind to any of the Indians on Lakes Huron and Superior, or adjacent thereto.

In the village of Sault Ste. Marie, on our side, there is not to be found either baker, butcher, tailor, shoemaker, blacksmith or tinsmith, and what is still worse, no hotel or accommodation for travellers of any kind, so that one has no alternative but to go to the United States side, where very good accommodation can be got, or, on our side, eat your bread and cheese in the street and sleep in a fence corner. Such is the actual state of things.

The Revenue Inspector, Mr. David Pim, a very respectable person, called upon me, but would require more definite instructions than he has yet received. He informs me that he has issued in the district this year—

3 tavern licenses.....	at \$13 75
3 saloon retail licenses.....	at 13 75
11 shop licenses.....	at 8 75

But in not one of these can a traveller, except in one at the Bruce mines, get a night's lodging or a meal's victuals; they are mere drinking dens, in fact, sinks of iniquity. I asked Mr. Pim if he did not consider it his duty, previous to issuing the tavern licenses, to see that they possessed what, under the Municipal Law of Upper Canada, is known as tavern accommodation, viz., so many beds for travellers, provisions, stabling, &c., when he replied he was not aware he had to do so. I recommended him to issue no more without doing so. He complains very much of being so poorly remunerated, and says his fees have never exceeded \$25 a year, and he is allowed nothing for office rent, fuel or stationery.

Mr. Pim is also post master, and makes the same complaint of the poorness of his pay, and although the district town has no allowance for office rent or fuel he says all the other officers in the district are paid by salary, he alone by fees, and that all his fees put together does not more than cover rent and fuel, and he is obliged to be in constant attendance at

his office. He having requested me to look at his post office books I did so, and found that the *registered letters outwards and inwards* were some 400 a year.

The people at Sault Ste. Marie are most anxious to have a post office money order office established, which, judging from the number of registered letters, would certainly be a great convenience to the community, and a paying office to the Department. It could also be turned to account as the means of paying the officers of the Customs their salaries. Thus, the largest amount of money orders would be outwards, consequently Mr. Pim would always be in funds, and the Collector of Customs could, at the end of each month, make up his pay list, present it to Mr. Pim, who could pay him the amount and transmit the pay list to head quarters as so much money, as the Bank of Montreal would cash the pay list on presentation or pass the amount to the credit of the Money Order Department, and it would thus come in with the pay lists of the other ports.

What is particularly wanted at Sault Ste. Marie to give it a start is a good *summer hotel* for tourists, and where, I feel satisfied, a man who understood his business and attended to it, would make a fortune in a very few years, and a capital of \$12,000 would do the whole business.

On the opposite side of the river there is a very indifferent hotel, and during the summer season it is crowded with Southern and other travellers, many passing the whole summer there; and I may add that our side of the river possesses many advantages which the other does not, such as Free Port, fishing, shooting, &c.

My attention was particularly drawn to this by Mr. Simpson, the Hudson's Bay Company's factor at the Sault, who informed me that he had had many applications from Americans with capital to buy part of *their station* to establish a large summer hotel, but from the position they were in with regard to the tenure of the land, they could give no title, although most anxious to sell and encourage the project.

The position of the Hudson's Bay Company with regard to their post at Sault Ste. Marie stands thus.—

During the war of 1812, St. Joseph's Island, some 60 miles below the Sault, was occupied by two companies of British troops, who, with the French Canadian Voyageurs, took Mackinaw. The Americans tried to retake it but could not succeed, and by way of retribution went to the Sault and burned everything before them, and among the rest the Hudson's Bay Company's post, saw mill, &c. After the peace the Company re-built the stores, &c., at the post, which were almost immediately taken possession of by the Royal Engineer Department, for barracks and military stores, and the Company had again to build in another spot for themselves.

The Military Government allowed the building they had taken possession of to go to ruin, and to meet this loss of the Hudson Bay Company, Earl Bathurst, then Colonial Secretary, in a despatch to Sir Peregrine Maitland, then Lieutenant-Governor of Upper Canada, recommended that the Hudson Bay Company should receive 1,200 acres around the site of the Fort, as it is called, as remuneration.

The Company have had the 1,200 acres surveyed, and are in possession, but up to this period have received no patent, and consequently cannot sell.

The land certainly is not worth 20 cents per acre, still if they could get their patent they could sell their site, buildings, &c. (which is certainly beautiful, being one mile west of the village and immediately adjoining the rapids), to several wealthy applicants for an hotel for summer travel, and which, beyond a doubt, would greatly benefit the district. Thus, for the small sum of say £60, a most important impetus to the trade of Sault Ste. Marie is kept back, for wherever a large concourse of people are brought together, by proper and legitimate means, trade must flourish.

I may here state that there is not a grist mill in the whole district of Algoma, but at the Sault there are no less than five mill sites, as may be seen by a plan in the Crown Land Department, by Mr. Vidal, P.L.S., of date 18th March, 1863. The best site is one adjoining the Hudson's Bay Company's post. Colonel Prince and other gentlemen of means have made application to the Crown Land Department, proposing to purchase a site to erect a grist mill with certain run of stones, and to ask for no deed until the mill was erected and in running order; but I have not the means of knowing what action the Department has taken in the matter, although it is a matter of great importance to the district of Algoma.

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I would respectfully recommend, if no action has been otherwise taken, that the five mill sites be sold at public auction, either in the City of Toronto or at Sault Ste. Marie, after being well advertised both in the United States and Canada papers, and that the sale be subject to the condition of the site being put in use within a certain period.

There is no Protestant place of worship at Sault Ste. Marie, but service is occasionally held in the Court House by the Church of England Missionary from Garden River, about 12 miles below the Sault.

There is a Roman Catholic Chapel and Priest in attendance, with a large congregation.

There is a very good school house, which has been built by private subscription. The average attendance of scholars is about 40, and they receive about \$190 a year from Government towards the teacher's salary.

There are also two Provincial Policemen stationed here, under the control of the Magistracy; they are highly spoken of as decent, proper, efficient men, and are considered very useful, and a terror to evil-doers.

In the neighborhood of the Sault a good deal has been done by the Government in the shape of Colonization Roads, but for what great good remains yet to be seen. One road extends from the Sault to the Bruce mines, some 48 miles, with no less than 67 bridges on it, costing some \$1,400 per mile, including bridges. This road is very little used except for a few miles out, and I could not learn that half a dozen people had ever passed over it. I visited it at several points, having been informed that several of the bridges had been burned down. I found this to be the case with *three* medium sized bridges, and that several of the others want repairs; and all of the bridges require to be visited by a competent person, and to have the bolts tightened up, otherwise they will certainly go to pieces. All new works of this character require thus to be attended to.

I was applied to by several parties begging of me to get what was required to the bridges done at once. I told them I had no such authority, but would consider it my duty to report the facts to the Government on my return, and which I now do.

There are very few settlers along the road referred to—but there are some very fair spots of agricultural land, and which would be readily taken up if it were surveyed and put in the market, but you cannot induce settlers to survey land themselves, at their own cost, and pay one dollar an acre for it besides, when the Government are advertising lands in the same District, already surveyed, at 20 cents per acre.

The question may very naturally arise, why do they not go and settle on the 20 cent land? Simply because there are no roads, or markets for their products; while on the road in question, they have a market at each end, viz.,—the Bruce Mines and the Sault.

Another road branches off, about two miles out from Sault Ste. Marie, on the Bruce Mines road, into the Township of Korah, about nine miles long. Korah is a very promising township, provided the road be extended across the township, say six miles; there are some 12 or 14 families, agriculturists, settled in it, but some have left for the United States and others are about leaving, simply because they have no road to fetch out their produce to market.

Another Government road branches off, six miles out from the Sault on the Bruce Mines road, 14 miles in length, to Goulais Bay on Lake Superior; so far there are no settlers on this road.

I deem it proper to add that no one in the District seems to have any charge or control over these roads and bridges, and it is to be regretted that works of such extent, and some really splendid and expensive bridges, should be allowed to go to ruin for want of looking after, and some slight repairs.

At present, in the District of Algoma, they have no taxes, and no means of imposing any, for such a purpose, even had the people the desire or disposition to do so. In January next the District, by the Act of last Session, will be under the various old District Laws in force in Canada West, previous to the Municipal system coming into operation, but how far that is to benefit the District is yet to be seen.

Under the old District Laws all sums arising from tavern-licenses, shop-licenses and billiard-tables, go into the Provincial Chest; while in the municipalities, with the exception of \$5 on each tavern-license, the revenue goes into the Municipal Chest and forms quite a large item of revenue; so that in this point of view the District of Algoma will not be anything like so favorably situated as the counties under the municipal system.

While writing the word "Billiard-tables" above, another difficulty occurs to me of anything but a favorable character to Sault Ste. Marie.

I have referred to a "Summer Hotel," as being likely to be of great service at Sault Ste. Marie, and it is well known that at such a place of resort it is necessary to provide all sorts of amusements to attract visitors, and in such a Hotel as I refer to, at least four billiard-tables would be required, and on which, under the law by which the District of Algoma will be governed from January next, there will be a tax of £40 per annum on each table, and which goes into the Provincial Chest; this is no great encouragement to Hotel enterprise, and there is no such tax in any of the counties.

Three miles below Sault Ste. Marie and on the Bruce Mines road is an old mining location, two miles front by five miles deep; it is supposed to be one of the forfeited mining locations. The whole of this lot would be taken up at once for agricultural purposes were it surveyed and in the market, but the Crown Land Agent at the Sault can give no information on the subject.

#### GARDEN RIVER,

An Indian Village and settlement on the Garden River, 12 miles below the Sault, and fronting on St. Mary's River, with a population of Indians and half breeds of about 400 souls.

There is a Church of England and Methodist Mission here, but the number of adherents are small. The Church of England Missionary, the Rev. James Chance, and his lady, each keep a school, but the scholars do not number more than eight or ten between both schools, and the congregation will not average 20 the year round. The Sunday previous to my last visit there the congregation numbered *five*.

The Roman Catholic body here are under the superintendence of Les Pères Jesuites, who here, as all over the district, are most assiduous in attending not only to the spiritual, but temporal and bodily infirmities of the Indians, by teaching them farming, mechanical and all industrial pursuits, and attending to both bodily and spiritual wants when sick. The Superior of the Order there, Père Kohler, informed me that the number of souls there and neighborhood, under his charge, amounted to about 600, and that the average attendance of scholars at their school was from 30 to 40 scholars. He also informed me that he had entered into a contract for all the material for a grist mill, and which he hoped to have in full operation by next harvest, at a cost to himself of \$3,000. I asked him where the wheat was to come from, when he informed me that in addition to what would be grown in the neighborhood, he intended getting from Chicago a cargo of wheat each season, and which he could get up for next to nothing *for freight*, by vessels going up the South Shore of Lake Superior for iron ore, and would gladly bring it for him from time to time, as part of their ballast, and land it almost at the mill. This would be a further means of teaching his people habits of industry, and be able to supply them with flour for their own use cheap, and have the bran and shorts for their cattle. He expected to have the mill put up pretty much *all* by his own people, and work it by them also.

There is a splendid bridge on the Bruce Mines Road, about a mile back of Garden River, and which must have cost a large sum of money, and if not quickly attended to will certainly be down. The bolts require attending to, and some slight repairs to the approaches.

My last visit to Garden River was with Mr. Wilson, who was sent down there by the Indian Department, in order to get the consent of the Indians to the surrender of two copper locations on the reserve of 400 acres *each*, applied for by Mr. Keating as representing an American Company, who were going to open up the mines and work them.

The council assembled in due Indian form, on the bank of Garden River, and Mr. Wilson, through an interpreter, explained to them the object of his visit, and what he asked for, when, after a good deal of consultation and gesticulating, the senior Chief present, "Pe-qu-chin-inie," made a speech and declined to surrender the locations, thus, for a time at all events, retarding the progress of that part of the district. The two Chiefs present, "Pe-qu-chin-inie" and "Ne-ben-ai-goch-ing," requested the interpreter to say to me that they wished to communicate the contents of the former speech to the Government. I promised that I would, and the speech, almost word for word, will be found in the Appendix.

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## BRUCE MINES,

Forty-five miles below Sault Ste. Marie, and 290 miles from Collingwood, is a Port of Entry, John Bowker—landing-waiter in charge, at a salary of £125 per annum, and £10 per annum for office rent and fuel—says it is not enough to support him and his family. I examined his books and office-matters, and found them fairly kept and correct. Mr. Bowker reports to Sault Ste. Marie.

This may be considered the most flourishing point of the Free Port, although, at the time of my visit, almost every house and store at the Wellington Mines, about half-a-mile west, had been burned, by fire communicated from the bush; a large amount of the property was covered by insurance, so that in a short time, no doubt, everything, on that score, will be all right again. The "Bruce Mine" is not now being worked, but the Canada West Mining Company, through the agency of Messrs. Taylor & Co., of London, England, have the Wellington Mines in full operation, under lease from the Montreal Mining Company, at a Royalty of five per cent.

This Company, at the present time, gives employment to about 400 men; and the population in the vicinity of the mines, and you may say dependent on them, numbers 1400 souls.

The smelting works are not in operation, having been burned down some years back, and have not since been rebuilt. The copper ore is crushed by powerful machinery, and then put into "puddling troughs," and washed by water, and "dressed" up, so that when shipped—as it is direct from there to Swansea, England,—it contains about 20 per cent. of copper, and is worth about \$80 per ton.

This Company is in a most flourishing condition, and last year, 1863, (after paying all expenses) divided \$60,000 profit among the shareholders. The export of copper ore by them last year, amounted to 4,532 tons, of the value of \$270,791. The value of imports at Bruce Mines for 1863, was \$52,355.

The value of copper ore shipped to England, for the half-year ended 30th June last, was .....

" for the month of July last, was..... \$68,840  
and, I was informed by the managers, before the close of navigation this year, they hoped to ship ore to the value of between \$300,000 and \$400,000 more.

As this Company are only lessees of the Mines now working, and their leases expiring in three and eight years, it was feared that the mines would have been abandoned at the termination of the leases, and thus the place would have become a barren wilderness again; but, fortunately the Company have purchased the whole of the Bruce Mines (it is said for £25,000 sterling) with the full intention of opening them up, and working them next spring, so that, in a very few years, we may look to the population, at least, trebling their numbers, and the trade of the Port largely increased.

The number of British and Foreign steamers and "sail vessels," to and from the Port of Bruce Mines last year, was 116; since then a line of first-class vessels, owned by Cunningham Sons, of Liverpool, have been put on the route between Liverpool and "Bruce Mines," calling with freight at various places, as they go up to the Mines, and on arrival there are loaded with copper ore, direct for England.

A Post Office money order branch is much wanted here for the convenience of the miners sending money to their friends, especially to England.

There are three or four magistrates at the mines, of high standing; but what is very much required is a "lock-up;" if a breach of the peace be committed, or any crime, where it is necessary to confine a prisoner, even temporarily, there is no "lock-up" in the district, except the two dungeons at Sault Ste. Marie, a distance of 45 miles from the Bruce Mines, and no regular means of travel or conveyance, and thus rendering the sending of a prisoner there very expensive; so that in many cases the really guilty go unpunished.

There is a good school here, well attended; also a Protestant and Catholic Churches, with large congregations; also three or four stores, doing a good business, and a very good and large Hotel.

The Mining Company have made an arrangement with the Hotel and store-keepers, that no others are to be allowed to be opened for a certain number of years, and the Company are enabled to grant this monopoly, as their Mining Locations cover all the land in the vicinity of the mines.



## ST. JOSEPH'S ISLAND,

Opposite the Bruce Mines, say six miles distant, and eight miles from the entrance to St. Mary's River, is a large and fertile Island, about 20 miles long, from east to west, and about 15 miles broad, covered, in part, with heavy forest trees. The ruins of the old British Fort, commanding the channel of the St. Mary's River, are still to be seen.

The settlers on this island find a ready cash market for all their products at the Bruce Mines, and it would be a most prosperous island did not a great dissatisfaction exist among the settlers because they cannot get their claims adjusted. They are all squatters. Two commissions have, at different periods, been appointed by Government to investigate their claims; the first, I learn, never acted; the second, composed of Messrs. Wilson and Salter, did act—went over every lot in 1860, and made a full and complete Report to the Crown Land Department, and I am not aware what action has been taken on that Report.

There is a good deal of cleared and pretty good land on the island, and the people would be prosperous, happy, and contented if they could get their claims settled and their patents; but they are discontented for the reason stated, and some of them are leaving for the United States in consequence, as they say they do not wish to continue to build houses and make improvements on land which they do not know their families may continue to enjoy.

*Joseph Dollar's Case.*

This is a very industrious, hard-working settler, a squatter farmer on a lot a few miles below the Bruce Mines, adjoining the surveyed Township of Lefroy. He has occupied the lot for 15 years, and has made good and valuable improvements, but finds himself in the same position as the settlers on St. Joseph's Island. The land is unsurveyed, and was granted in 1846 to one Starnes as a mining location, two miles by five, and was forfeited by Order in Council, the six months' notice having been given.

## THESSALON RIVER,

Twelve miles east of the Bruce Mines, and 60 miles from the Sault, a fine river and good front stream, but only four settlers on it, who seemed very poor. 'Tis on an Indian reserve, surrendered to the Crown but *not surveyed*. The land could be sold if surveyed, the Crown Land agent having had many applicants. The Indian Department were under the impression that there was some valuable elm timber on this river, but I could neither see nor hear of any from any of the settlers.

## MISSISSAGUA,

A Hudson Bay Company's post, 33 miles from Thessalon River, and 90 from the Sault, situated on a fork of the River Mississagua, a very beautiful station, and everything neat and orderly, as is invariably found to be the case at all the stations of the Hudson's Bay Company. The only trade here is between the Indians and the Hudson Bay Company. There is only one settler, Sayers, a squatter, long in occupation. The land around here is also unsurveyed. The Township of Thompson is, however, within three or four miles.

*Salvoil's Saw Mills,*

Five miles east of Mississagua, is also on unsurveyed land. These mills are now at a stand, the proprietor having got into difficulties with the Montreal Mining Company, in whose hands they now are, and, like all their property on these Lakes—except the Bruce Mines,—dormant.

*Lauzon's Mills,*

About 10 miles east of Mississagua.

This mill has been erected by a French Canadian, by name, Alfred Lauzon; he has been there three years; has erected a first-rate mill, with a muley and circular saw; and has built a wharf, with a tramway on it for shipping his lumber—some 300 to 400 yards long; has built six dwelling-houses for himself and men, and also a good dam. His supply of water is from a lake about a quarter of a mile back of his mill; this lake is about 1 mile long and about half-a-mile broad; at the N. W. end of this lake is a small "portage" and then another lake about four miles long and one mile wide, and both full of fish; he has also constructed a slide from the small lake for bringing his logs down to his dam. The whole place denotes industry and prosperity, and there is a good supply of fair timber all

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around, and a never-failing supply of water. He has applied himself and through Mr. Wilson repeatedly, to purchase, and also for a timber license, but, so far, has been unsuccessful. He is, of course, a squatter, and the land is unsurveyed. Like many others up here, he is going on helping himself, but keeping an account of the lumber he makes. He informs me he is doing well, and has expended \$3,000 in cash since he went on the premises, and is most anxious to get his patent.

#### LA CLOCHE,

About 45 miles east of Lauzon's mills and 144 miles east of Sault Ste. Marie—another Hudson's Bay Post, immediately in front of the Township of Salter, in charge of Mr. Peter Bell; the land around is unsurveyed. There are no settlers here, the trading is entirely with the Indians. Mr. Bell makes great complaints of the Indian traders giving spirits to the Indians. There is no magistrate within 50 to 100 miles—one is much needed there, and Mr. Bell would make an exceedingly useful, intelligent magistrate.

#### LITTLE CURRENT,

Or Waie-bidgi-wang, 12 miles across from La Cloche on the north shore of the Great Manitoulin. The main channel is narrow here, with a current running five or six miles an hour, being much affected by the winds. This is the calling place for all vessels going up the north shore of Lake Huron, and here the steamers usually wood. With the exception of the school-master, Mr. Burkit, and Mr. John Dupont, store-keeper, the population is all Indian and Half-breed. The settlement is miserable, and great misery will be experienced this coming winter by the poor Indian, in consequence of the fire through the whole country having destroyed the game, on which the Indian, in a great measure, depends for his living; and also, in many cases, their small crop of potatoes, beans, and peas. There is no hotel, or accommodation of any kind here, for a traveller. There seems to have been a pretty good clearing, at one time, around the village, if it can be so called, but it seems to be neglected, and a second growth springing up. Mr. Burkit, the school-master, informs me that his average attendance of scholars is about 20; he also complains very bitterly of the Indians getting spirits from the trading vessels and steamers, when they become perfectly mad and no one's life is safe. There is no place of worship here, of any kind, and there is no magistrate; Mr. Burkit, the school-master, would make an admirable magistrate, he is a man of some 50 years of age, very exemplary, and highly spoken of. The mail for Manitowanning, where the Indian Superintendent resides, should be left here, instead of at Killarney, 25 miles below.

A landing-waiter should also be appointed here for the purpose I have already stated in my Report.

Until within some six or seven years back the Hudson's Bay Company had a station here; they built a large wharf and store-house, and the place was neat and orderly; they gave employment to the Indians and Half-breeds in cutting cordwood, hauling and piling it on the wharf, and the Company then sold the wood to the steamers at 1s. 3d. per cord, profit. The place was then, comparatively speaking, prospering, the Indian working and acquiring habits of industry, besides obtaining many comforts for himself and family. The Company, I am informed, had a lease of some 20 acres of the land, for 20 years; but, some six or seven years ago, the Indian Department deemed it wise that the Company should leave the Island, which they did rather than have any difficulty; the consequence is, that the Indian has fallen back to his fishing and hunting habits, and idling around; the store was shut up and went to decay, and scarcely a plank left on the wharf, and steamers now calling have much difficulty in getting their supply of wood. Mr. John Dupont having recently rented the store and wharf, such as they are, it is most probable that a better state of things will follow.

#### MANITOWANNING,

Thirty miles from Little Current, is beautifully situated at the head of Heyward Sound. It is here the Government Indian agent resides, also the English Clergyman and Surgeon, and, I regret to be obliged to give a melancholy account of the place:—In the first place, from the year 1839 to 1844, Government expended upwards of \$30,000 here, in erecting some 40 Indian houses, a large frame store, a saw-mill, four large houses for the agent, English clergyman, doctor, and school-master; also a blacksmith's, carpenter's, and cooper's

shops; a large English church was also built, under the hope that a large number of Indians could be congregated there, and in some degree civilized and taught industrious pursuits. The result may be summed up by stating, that, at the present time, there is no store in the place; no school or schoolmaster; and, for many months, no clergyman of any denomination. There is a good English church, and, when there is a pastor, an average congregation in all of not more than 20; all, pretty much, that remains of the Indian houses are the chimneys. A good wharf did exist, but there is not a vestige of it left; the country around has been devastated by fire, and the whole spot denotes ruin and decay.

I was informed that two-thirds of the Indians there now, professed the Roman Catholic faith, that they had applied, through their priests, for some accommodation for the holding of service, but had, so far, been unsuccessful.

#### WIKWEMIKONG,

Also on the Great Manitoulin Island, 25 miles by water, from Manitowanning, but only about six miles across a neck of land. This village is under the charge and superintendence of "Les Pères Jesuites," and presents a strong contrast to Manitowanning. It has received no government aid towards its progress. It has a population of over 600 souls, all Indians and half-breeds; and about 150 houses, besides barns, stables, and other out-buildings; the village presents a neat, cleanly, orderly appearance, and prosperity seems to smile on all around, and the population apparently happy and comfortable. They have a capital stone church and dwelling for the clergy, built entirely by the Indians themselves, and also a convent for educational purposes; they have two schools, one for the boys and one for the girls; five teachers, and about 80 scholars in each school; they receive \$240 per annum from Government, towards the support of their schools; they have also a saw-mill and among them shoemakers, masons, coopers, blacksmiths, &c.,

The country around here has also been burned up, but, through the exertions of the clergy with their people, they have managed to save a portion of their crop, and they are close to good fishing grounds.

Complaint is also made here of the traders giving whiskey to the Indians.

The clergy, also, here go out with their people, help and teach them farming operations, and the aspect of the place denotes happiness and contentment.

The whole population of the Island may be fairly put down at 1200; say 1000 Catholics, 100 Protestants, and 100 Pagans.

From what I have myself seen, and from information conveyed to me by persons on whom I can depend, I am firmly of opinion that a very erroneous impression is abroad as to the value of the Great Manitoulin Island. There is no amount of timber of any value upon it, in fact, very indifferent cordwood; there are no less than 17 lakes on it, covering one-third of the whole island, and of the remaining two-thirds, not more than one-sixth can be called even fair agricultural land; the balance is one mass of rock and swamp. Parties have stated to me that the Indians were in the habit of making half a-million pounds of maple sugar on the Island yearly, and that the land must be good where maple trees grow so well. My experience tells me that maple will grow on even a sandy soil, but they will grow well on six inches of gravelly soil on a rocky bottom, which latter is the case on the Manitoulin.

I am further informed that of the five townships surveyed last winter on the Island, scarcely a stake is to be found, all having been burned up, so that these surveys are useless; but I do not believe that if the whole Island was surveyed and brought into the markets, that it could be sold for sufficient to defray the expense of survey, unless it were bought by parties who had never visited it.

#### KILLARNEY,

Or She ba-wa-nah-ning ("here is a channel"), is very beautifully situated on the main shore, 25 miles from Wekwemikong, hemmed in, as it were, by mountains on all sides; on the north shore of a narrow channel about half a mile long, and very deep. It has a convenient steamboat landing, a good Catholic church, a store, 12 or 13 houses, and a population of about 75 souls, all Indians and half-breeds except three or four; they live chiefly by fishing and hunting, agriculture is neglected, except as regards the usual vegetables and potatoe patch and prairie hay for their cattle. Each house has a cow and a couple of pigs, and there are a couple of horses owned in the village.

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The village has the appearance of neatness and order. Great complaints are made here also about whiskey being given to the Indians, and, although there are two magistrates, they have not been able to stop this traffic, which is carried on so clandestinely. There should be a "lock-up" here or at Little Current. The whole village may be called "squatters," and they are very anxious to have the village surveyed and each one's lot defined, which may save any amount of trouble hereafter.

Killarney should be made a Sub-port of Entry, as a great number of vessels call there, and it is the first place touched in the Free Port.

*Memorandum of the distance travelled in an open boat, to obtain so much of the information given:—*

Sault Ste. Marie to Bruce Mines.....	45 miles.
To St. Joseph's Island .....	10 "
To Thessalon River.....	24 "
To Mississagua.....	25 "
To La Cloche.....	54 "
To Little Current.....	12 "
To Manitowanning.....	30 "
To Wekwemikong.....	25 "
To Killarney.....	25 "
Back to the Sault.....	250 "
	250 "
	500 "

#### NORTH SHORE OF LAKE SUPERIOR.

On my return to Sault Ste. Marie I found that the steamer "Algoma," did not go up Lake Superior until the following trip, and it being too late in the season to risk a small boat to Fort William, I had no alternative but to lay over and get what useful information I could, about Sault Ste. Marie and its neighborhood, in the interim. Starting, therefore, on the next trip, after laying to in "Waiska Bay" for 55 hours in the "Algoma" on account of a violent storm on the lake, we at length reached "Michipicoton," about 150 miles, being the first stopping place of the boat, in fact, on our shore, the first point of civilization; and when you get there, except a splendid harbor and grand scenery, there is nothing to be seen but the Hudson's Bay Post, everything neat and orderly as is usual. "Moose Fort," Hudson's Bay, is 300 miles from this post, and has been reached from this point in canoes in six days. The business done at this post is, of course, between Hudson's Bay Company and the Indians, and the goods are all entered at Sault Ste. Marie; there is no Officer of Customs here, and I do not see that one is required.

Mr. Colin Rankin, the Company's agent here, is a highly respectable person, and strongly recommended by Colonel Prince and others, as a suitable person for a magistrate; and it is very desirable there should be one here, also a "lock up."

On leaving here we made for the Island of Michipicoton, about 45 miles distant, in order to land a miner, but were unable to do so on account of fog, and I, consequently, had no opportunity of visiting the Island or mines, at which latter, however, I learned there were only some 10 or 12 men at work, so that there is not a great deal doing there. The Island is about 16 miles by 6, covered with spruce, fir, birch, ash, and maple, but the timber is of no great value, unless for cordwood; there are several lakes upon it, full of speckled trout, and the bay is full of salmon trout and white-fish; but the island, otherwise, is thought very valuable in mineral deposit—silver, copper and lead,—and the Quebec Mining Company have a location on it.

We reached Fort William the following day, situated at the mouth of the Kaministiqui River. Owing to a bar or shoal at the mouth of the river, we were obliged to anchor at about a mile from the fort, or Hudson's Bay Post, and the goods, &c., to be landed taken off in large boats and a scow.

A Mr. Wallbridge, from Detroit, has opened a lead mine about ten miles up the river, and is said to be doing very well. I had no opportunity of visiting the mine, as the steamer

only remained at Fort William two hours. I also was informed, that some two or three copper and lead locations had just been discovered in about the same neighborhood.

If the bar or shoal I have referred to were removed, and which could be done by dredging, for \$10,000, the river would then be navigable, for steamers, ten miles up, and if Mr. Wallbridge's mine turns out a success, of which there is every probability, two shipments of ore, within ten miles, would be a very great drawback.

"Les Pères Jesuites" have also a very successful mission here, some two miles above the fort on the opposite side of the river; there is a good church and some 50 to 60 houses, chiefly half breeds and Indians numbering about 300 souls, and a school with about 30 scholars; also a resident priest. The good influence of "Les Pères Jesuites," along the shores of Lake Superior, is generally admitted by all unprejudiced visitors; the poor and often degraded Indian being instructed in agriculture and industrial pursuits, tending to elevate the human species in every clime.

There have been some six or eight American steamers and other craft in at Fort William this season, but as there is no Officer of Customs there, I could procure no report of what was landed or exported. I should deem it very advisable to have a landing-waiter there, as it is becoming a place of great resort.

There is no magistrate here and one is absolutely necessary, also a "lock up." Mr. John McIntyre, the Hudson's Bay agent, is strongly recommended as a most suitable person. A reward is at present offered, by the Government, for an escaped murderer, an Indian, who has been prowling about Fort William and setting all law at defiance for more than a year; he will more than likely now be caught there, but there is no magistrate to commit him, or place to confine him, nearer than Sault Ste. Marie, upwards of 300 miles.

The Hudson's Bay Company have a large farm here, and raise oats, barley, and all kinds of roots, and there is no doubt wheat can also be raised here. Fish is most abundant both in the Bay and River, and Mr. McIntyre informed me that 30 barrels of white-fish were taken at one haul of seine, close to Fort William.

On our return towards the Sault we again tried to touch at Michipicoton Island, but found it impracticable, and had, consequently, to bring the miner back to Sault Ste. Marie, where he had started from.

I regret to be obliged to give so poor an account of our side of Lake Superior, but where there is little else than a wilderness, there is little to report upon. I am, perhaps, wrong in saying there is little else than a wilderness, for it is admitted on all sides, that our north shore is quite as rich in mineral deposits as the south shore, if not more so.

But when we find the Montreal Mining Company holding not less than 16 mining locations on Lake Superior, 160 miles of territory, and all patented, although merely the front lines run—no side or rear lines and not a pick at work in one of them, it does not omen well—and it almost deters explorers from going in, for, after spending their time, labor and money, if they do find a location, the chances are ten to one that it is on some two mile by five location of the Montreal Mining Company.

I annex, hereto, an extract from the "Portage Lake Mining Journal of 10th September, 1864," showing, to some extent, the opinion on the south shore relative to our north shore.

EX. PORTAGE LAKE, MICHIGAN, MINING JOURNAL, 10TH SEPT., 1864.

#### *Canadian Mining Matters.*

"That there are rich and extensive mineral deposits on the Canadian or "North Shore" of Lake Superior, is a fact of which most people, cognizant of the country, are well informed; and, were it possible, would have availed themselves of, had not the Canadian Government placed in their way so many obstacles as to make it a waste of time to endeavor to remove them.

"The first great obstacle was the establishment of monopolies, almost similar to that of the Hudson's Bay Fur Company, and the payment of royalty on every pound raised, according to the estimation of officials. Besides this the Government has been exceedingly dilatory in making necessary surveys, and though the objectionable royalty has been abolished, yet it is now utterly impossible to purchase a tract of land for want of a descriptive boundary.

"From the information gathered from gentlemen of standing and experience, we are led to believe that copper and silver exist in Canadian territory, in formations similar to

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those of this region which have proven themselves to be highly productive and remunerative beyond doubt. We have long entertained a similar opinion, and with Sir William Logan's report to the Canadian Parliament, in which he faithfully and scientifically portrayed the metalliferous wealth of the Canadian Lake Superior District, it has been a subject of wonder that our neighbors should have been so inactive in developing the resources of their country.

"In this connection we may mention the name of C. W. Starnes, Esq., of Montreal, who, we understand, has visited, with D. S. Ogden, Esq., and Hon. E. H. Thompson, of New York, the whole range of mines from the Porcupine Mountains to Copper Harbor, and taken extensive notes of the leading mines, detailing their workings, &c., with a view to bringing the subject properly before Parliament at its next Session. We trust the views of these gentlemen will result in effecting a radical change in working the Canadian mines, and especially in having the Government perfect its surveys.

"As the matter now stands, it is time and money thrown away to attempt to make any location on that side of the Lake, for you are greeted at the Crown Land Department, at Quebec, with one of two answers to your application for a location,—either that the land belongs to the Montreal Mining Company, or else that the land is not surveyed. This policy changed by the Government, and thousands would seek investment where there is now but a single instance.

I may mention that there are two townships near Fort William, surveyed and in the market at 20 cents per acre, but there is no one nearer than Quebec that can give any further information regarding them; some of the lots have been taken up, and if Mr. Wilson, at the Sault, was furnished with plans of them, there is little doubt all the lots would speedily be taken up and settled on.

#### U. S. OR SOUTH SHORE OF LAKE SUPERIOR.

I now proceed, and I must say with some reluctance, to give an account of the south or U. S. shore of Lake Superior. I say with reluctance for the comparison is painfully true.

The American village of the "Soo" is immediately opposite our village of Sault Ste. Marie, and is the capital of Chippewa County, Michigan; it has a population of about 1200, is 350 miles from Detroit and 15 miles from the foot of Lake Superior in N. Latitude 45.31; the rapids here have an ascent of 18 feet within one mile. The village contains two Protestant and one Catholic churches, two hotels and 10 or 15 stores, and mechanics of all kinds. Fort Brady, an old U. S. Military Post, is at the east end of the town and commands the St. Mary's River, and the approach to the mouth of the canal above.

#### St. Mary's Ship Canal.

This canal, which connects the navigation of Lake Superior with the lower lakes, is 1 mile 304 feet long.

It was built in 1853-4-5, being completed in June, 1855, within two years, and cost about one million of dollars; not a copper of money was paid, however, but a grant of 750,000 acres of land, was made by congress to the State of Michigan in aid of building it. The contractors accepted the land, binding themselves to complete the canal in two years which they did. There were from 12 to 1600 men employed upon the work on the spot, exclusive of the men at the quarries. A large portion of stone was brought from the quarries on the Indian Reserve near Amherstburg, C. W. The lands were selected by agents appointed by the Governor of Michigan, as the work progressed, as follows:—

In the Iron region of Lake Superior.....	39,000 acres.
In the Copper do do .....	147,000 "
In the lower peninsula.....	564,000 "

750,000 "

The length of the canal, 1 mile, 304 feet. Width at top, 115 feet; width at water-line, 100 feet; width at bottom, 64 feet. The depth of the canal is 12 feet.

The slope wall on the sides of the canal, 4000 feet in length.

The width of the canal locks,—70 feet at top, and 61½ feet at bottom.

The walls are 25 feet high, and 10 feet thick at bottom.





Shipments in	1855	Tons.	lbs.	Value.
do	do 1856	3196	.....	1,437,000
do	do 1857	5726	.....	2,400,000
do	do 1858	5759	.....	2,015,850
do	do 1859	5896	.....	1,810,000
do	do 1860	6041	.....	1,932,000
do	do 1861	8614	.....	2,520,000
do	do 1862	10337	.....	3,180,000
do	do 1863	10000	.....	4,000,000
		10044	.....	4,000,000

*Iron Ore and Pig Iron.*

Shipments in	1855	Tons ore.	Tons pig.	Value.
do	do 1856	1447	.....	\$ 14,470
do	do 1857	11597	.....	92,776
do	do 1858	26184	.....	209,472
do	do 1859	31035	1627	249,269
do	do 1860	65679	7258	575,521
do	do 1861	116998	5660	786,490
do	do 1862	45430	7970	410,460
do	do 1862	115721	8590	984,976
do	do 1863	181567	6651	1,400,000

The first point touched at, deserving of important notice, after leaving the Sault, on the south shore, is Marquette, 180 miles, the county town of Marquette County, Michigan, and a Sub-port of Entry, situate on the Bay of Marquette, with a safe and commodious harbor. This is the only point on Lake Superior where iron mines have been opened. The town contains about 2500 inhabitants, has a court-house and gaol, five Protestant and one Catholic churches, six hotels, two of them first-class houses, two printing offices, and from 30 to 40 stores, and everything denotes prosperity around. The iron mines are from 12 to 18 miles back of the town on an elevated ridge, known as the Iron Mountain. A railroad extends from Marquette to the Lake Superior mine, 18 miles distant, affording ample means for transporting the ore direct to the vessels side for shipment, and it is so arranged that the cars are "dumped" or emptied, without injury, into the hold of the ship, thus saving an immensity of labor. There are several blast furnaces in the neighborhood, and manufactures of pig-iron, railroad castings, car wheels, &c., employing, it is said, in all about 6,000 souls. This iron business alone gives employment to upwards of 100 sail vessels besides propellers. Steamers of a large size arrive and depart almost daily for Detroit, Milwaukee, and Chicago, carrying freight and numerous passengers; so many vessels are employed in this iron and copper trade, that the merchants and traders on the south shore get their goods and supplies from below at a mere nominal rate of freight, the vessels being too glad to get the freight, to save the trouble and expense of loading and unloading ballast, in fact it has been known, in several instances, of vessels paying for the privilege of taking up a cargo of flour and salt. The shipments of iron ore this year, and pig iron from Marquette is calculated will be upwards of 200,000 tons.

The quality of the Lake Superior iron is said to be superior to any in the world. The following analysis, by Professor Johnson, gives the strength per square inch, in pounds, of various irons:

Salisbury, Conn.	58,000
Swedish, (best)	58,134
English Cable	59,105
Centre Co. (Penn.)	76,069
Common English and American	80,000
Lake Superior	89,582

There is enough Iron on Lake Superior, on both shores, to supply the world with iron. A new era in ship-building seems at hand, when iron will take the place of wood, which with the quantity required for railroad purposes, it is hard to conceive what the demand may be,—to say nothing of the impetus such a trade must, in the natural course of events, give to our shipping and canals.

The next point of importance, I visited, was the towns of Houghton and Hancock, on Portage Lake, 80 miles above Marquette; Houghton is 14 miles from Portage Entry, on Lake Superior. The harbor is land-locked,—protected by high hills on both sides. It was first settled in 1854, it now contains a gaol and court-house, three Protestant and one Catholic churches, several minor hotels and boarding houses—one hotel, the "Douglas House," quite equal to any hotel in Canada,—some 30 stores and warehouses, two steam saw-mills, two breweries, &c.; the population is estimated at 3,000, being mostly engaged in copper mining and lumbering operations.

Hancock is immediately opposite, on the north side of the lake, here about one-eighth of a mile wide; a small steamer runs between the two places every five or ten minutes, and is said to be clearing \$300 per week, the charge is five cents. The town was first laid out in 1858 and now contains between 4 and 5,000 of a population, including those at work at the mines in the immediate neighborhood, its sudden rise and prosperity being identified with the rich deposits of native copper in which this section of the country abounds. The site of the town is on a side hill rising 500 feet above Portage Lake, where the opening of the mines is situated. Here there are also two Protestant and one Catholic churches, five hotels—the Mason House being a first class hotel,—many stores, a steam saw-mill and barrel-factory, foundries, and extensive stamping mills, also very extensive smelting works. I was informed they smelted, on an average, 12 tons of pure copper per day, and crushed 14,000 tons of ore per day. There is, in, this immediate neighborhood, eight mines in active and successful operation,—the Quincy, Hancock, Pewabic, and Franklin mines on the north side; the Isle Royal, Huron, and Portage on the south, are the principal mines. One of these mines, last season, declared and paid a dividend to the stockholders of 100 cents per dollar, thus paying back the whole of the capital.

The successful working of these mines, by means of greatly improved machinery in connection with the smelting works, gives profitable employment to thousands of miners and laborers, thereby rendering this locality the great copper mart of the region, the pure copper being shipped to the eastern market during the season of navigation. In fact, after visiting Hancock and Houghton, one can safely say that they have seen the copper mines of Lake Superior, and certainly in their prosperous state.

#### ONTONAGON,

Eighty-six miles west of Portage Lake and 336 miles from the Sault, situate at the mouth of the river of the same name, some 200 feet wide at its mouth, plenty of water for large vessels, and an extensive pier and break-water; the town contains two Protestant and one Catholic churches, some 1500 inhabitants, two steam-mills, good stores, &c.; there are here also, several very productive copper mines, the ore is found some 12 or 15 miles from the landing; silver is also found here intermixed with the copper ore, which abounds in large masses. A good plank road runs from Ontonagon to near the mines, some 14 miles, a small steamer also runs on the Ontonagon River in connection with the mines.

The population, including the neighborhood of the mines, is some 6,000.

#### SUPERIOR CITY,

##### Minnesota,

Contains from 12 to 1500 inhabitants, on the Bay of Superior, at the extreme west end of the lake, near the mouth of the St. Louis River; here are two churches, two hotels, and some 10 or 15 stores and warehouses; a small river, the Vemadji, runs through the town. It is said no place on Lake Superior has commercial advantages equal to this town, its future is magnified almost beyond conception, owing to several most important lines of railway which will certainly terminate here, viz: to the Falls of St. Anthony and Sauk Rapids on the Upper Mississippi, &c., &c.

#### FOND DU LAC,

St. Louis County, Minnesota, lays on St. Louis River, 20 miles above its entrance into Lake Superior. Vessels of a large class ascend to this place, being within four miles of St. Louis Falls, having a descent of about 60 feet, giving a great water power. Stone and slate are extensively quarried here for building purposes, and iron and copper ore also abound in the

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vicinity; and it will, at no very distant period, become an important place both for trade and manufactures.

#### ISLE ROYALE,

Belonging to the U. S., is about 45 miles in length from N.E. to S.W., and from 8 to 12 miles in width, a rich and important island, abounding in copper ore and other minerals and precious stones. The principal harbor and only settlement on the island is on Siskowit Bay on the east shore of the island, about 50 miles distant from Eagle Harbor on the main shore of Michigan. The whole of this island has been explored and taken up during the present season, for mining purposes; the fishing grounds are excellent all around the island. Isle Royal is not more than from 25 to 30 miles from Fort William.

The following tables of routes and distances from Superior City and Fond du Lac to important points westward may not be uninteresting:—

#### *From Fond du Lac to St. Paul, Minn.*

To Pokagama (Portage) .....	76 miles.
To Falls of St. Croix (canoe) .....	40 "
To Marine Mills (steamboat).....	19 "
To Still Water ( do ).....	11 "
To St. Paul (stage).....	18 "

163 miles.

The distance from Superior City to St. Cloud or Sauk Rapids, by proposed railway route, is 120 miles, from St. Cloud to St. Paul, 76 miles—196 miles.

#### *From Superior City to Pembina, Minn.,—being on the boundary line at the Red River Settlement.*

To Crow Wing.....	80 miles.
To Otter Tail Lake.....	70 "
To Rice River.....	74 "
To Sand Hills River.....	70 "
To Grand Fork (Red River).....	40 "
To Pembina.....	80 "

415 miles.

From St. Paul to Pembina via Crow Wing, 464 miles.

Having thus given, as nearly as possible, a correct version of the state of matters on the south or U. S. Shore of Lake Superior, and looking at the contrast between the great commercial prosperity on one side and almost a barren wilderness on the other, the question very naturally presents itself, what can be done to make the north shore progress as the south has done?

In addition to what I have already pointed out, I would respectfully suggest as follows:

Let all the unsurveyed lands on both Lakes Huron and Superior, be at once surveyed—say for six miles deep,—laid out, as is the system now in practice, into townships six miles square, and where there is agricultural lands let them be sub-divided into sections, but with other lands let merely the boundary lines be run;

Let all distinction between mineral and agricultural lands be done away with;

Let one price be fixed for all, not to exceed 20 cents per acre; the whole country could be surveyed as I propose for seven cents per acre, and I believe it will be admitted on all sides that the country is much more likely to be benefited by selling the lands at 20 cents—thus inducing the opening of the mines and a population to come in—than holding the lands at one dollar per acre, and parties to survey the lands themselves. I believe the calculation is that every man, woman and child in the country is worth \$30 a year—that is, it takes that on an average to support each,—consequently a family of 10 souls coming in and settling would spend each year, say \$300, surely this would be more beneficial to the country than the difference between 20 cents and a dollar per acre;

Let maps be prepared, lithographed and circulated through the province, in Boston, in New York, and along the south shore of Lake Superior, showing the lots taken up and those for sale;

Let the lots be sold at the agencies on Lakes Huron and Superior, and do not oblige the explorer or agriculturist to come to Quebec;

Let Sir Wm. Logan's maps and reports also be published to a limited extent and circulated, they could readily be sold at a sum sufficient to cover cost.

The foregoing was the course adopted by U.S. Government on the south shore, and the result has been that every acre has been taken up, the mines have been opened, and everything is flourishing, while on our side we have almost utter desolation.

It may be said the U. S. Government got \$1½ per acre for their land, true, but that was their first and only price after they had surveyed the country, while we have had our lands, such as are surveyed, in the market at 20 cents, and it is a received maxim that it is an easy matter to lower a price, but a difficult matter to raise it without injury.

I had frequent conversations with gentlemen largely engaged in mining operations on the south shore, and by one and all was told—

"Open up your country as we did by surveying-maps, agencies, &c., and before ten years are over you will see as large a population on your side as we have on ours. We have no lack of capital, we know your shore is equally rich in mineral wealth to ours, and we are willing and anxious to go in, but you must remove the barrier now in the way. It does seem," said they, "so inconsistent that at Fort William, 300 miles up the Lake, and at several points on Lake Huron you offer surveyed land at 20 cents per acre, while for unsurveyed lands immediately adjoining, you ask one dollar per acre and parties to survey it themselves; and as we understand the Regulations oblige us to take 400 acres when perhaps 40, in some cases, would answer our purpose."

I would also respectfully recommend that the "Fisheries Act" (which has caused so much trouble in that region) be done away with there, except as regards the catching of speckled trout by net in the rivers running into the lakes (St. Mary's River excepted), also let it be in force as regards the throwing of the fish offal into the water, which destroys the other fish; and leave our fishing grounds open to the Americans, provided they reciprocate but not otherwise. A very large portion of the population of the District of Algoma almost depend on fish for a living, especially the Indians and half-breeds, and it is questionable if, in such a case, there should be any restrictions. The people one and all are opposed to a "Fishery Inspector" as being, as they say, useless and only likely to cause trouble; the people themselves and the magistracy say they will see that the law is carried out, so far as is necessary to the preservation of the fish.

Having understood that there was an impression abroad that the climate around Sault Ste. Marie was not suited for agricultural or horticultural pursuits, I thought well to bring down with me a box containing the following specimens,—potatoes, cabbage, turnips, peas, beet, mangel, melons, savory, parsley, barley, oats, spring wheat, and fall wheat—all of which would have stood well to compete at any public exhibition.

I have placed the box at the disposal of the Bureau of Agriculture for inspection, and in order that official notice may be taken of same in the annual report of that Department.

I would also here beg to draw your attention to what I conceive to be an oversight in the drafting of the Excise Bill in so far as the District of Algoma is concerned. Very fine barley is grown in that District and it was anticipated that it could be turned to good account there, by the establishment of a brewery or distillery; but on reference to the Excise Act it is believed that a brewery or distillery would be subject to Excise duty the same as in any other part of the Province. This does not operate favorably for the Free Port, inasmuch as they are not allowed to manufacture their own barley into whiskey or beer without an Excise duty, while outsiders are allowed to send into the Free Port their whiskey and beer and get the drawback.

The population of the whole District of Algoma may be put down at about 7,000, which includes Indians; and the population on the south shore of Lake Superior alone may be fairly estimated at about 35,000.

I have felt that in reporting upon the working of the Free Port of Sault Ste. Marie and the trade of that part of the country, I had a very different duty to perform in many respects, from what I would have had I been inspecting the Free Port of Gaspé, and for this reason that Gaspé is represented in both branches of the Legislature, has the benefit of municipal institutions, and has a large, old established trade; whereas Sault Ste. Marie, or I should say the District of Algoma, is a new District without any of the advantages I have named. I

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have therefore considered it my duty, through your kind indulgence, to place the Government in possession of any information I could obtain which I thought would be beneficial to the District of Algoma and the Province at large.

I have the honor to be, Sir,

Your most obedient servant,

(Signed,)

C. E. ANDERSON.

To R. S. M. Bouchette, Esq.,  
Commissioner of Customs and Excise,  
Quebec.

## APPENDIX.

### *Speech of Chief PEQUCHIN-INIE at Garden River.*

"You will tell the Governor General from us, that we are poor, very poor, obliged to go out and catch a fish for our meal; that many of us are old and not able to work; that many years ago (1850) Mr. Robinson was sent up to us by the Governor; we made a treaty with him, and surrendered a large portion of our lands. Mr. Robinson promised us that the land should be surveyed and sold, and that at the end of one year we and each member of our people should receive \$4 in cash, and that the rest of the money should be invested at interest for our benefit. So far the land has not been surveyed, and we have never received the \$4 each promised to us by Mr. Robinson, only receiving \$1 a year each as our annuity.

"Some seven or eight years ago Mr. Pennefather came up among us, also sent by the Governor General, to make a treaty and get some more of our land. He promised us that the land should be immediately surveyed and sold, and that out of the surrender on Batchewana Bay any of us Indians should have the privilege of buying for our families lots of 80 acres each, at the upset price; that those who would leave Batchewana Bay and come down to settle at Garden River should have 40 acre lots laid off for them, and deeds of occupation given them, and that before three years were over we should have \$3,000 in money divided amongst us at one time. We believed Mr. Pennefather and surrendered more of our land, but not one of his promises have been carried out to this day, and when we heard of your arrival here this morning we were glad, and thought you had brought us the money, instead of which you want more of our land, although not one of Mr. Robinson's nor Mr. Pennefather's promises have been kept. Tell our Great Father that we will surrender no more land until the promises already made have been carried out."

My attention was, on several occasions during my journey, drawn to the Mail Route laid out for winter from the Ottawa to Fort William, in which there is a gap, viz., from Spanish River to Parry Sound, on Georgian Bay. If this gap was surveyed and blazed the link would then be complete between Fort William and the Ottawa.

Herewith I have the honor, also, to hand in Disturnel's Map of the Lake Region, St. Lawrence Valley and surrounding country; also, the Crown Land Department Maps of 1863, of part of the North Shores of Lakes Huron and Superior, and which may be found useful as a reference.

10th October, 1864.

(Signed,)

C. E. ANDERSON.



F. P. of S. St. M., No. 1.—COMPARATIVE STATEMENT of Imports at the Free Port of Sault St. Marie.

	1861.		1862.	
	Quantity.	Value.	Quantity.	Value.
Brandy.....Galls.	344	\$ 916	511	\$ 549
Gin.....do	143	129	446	199
Rum.....do			49	66
Whiskey.....do	9758	2132	7702	2188
Coffee.....do				
Molasses.....do	214	92	163	78
Sugar, refined.....Lbs.	5237	382	6001	542
do other.....do	28596	2395	37786	2295
Tea.....do	8748	4648	6339	3406
Tobacco, manufactured.....do	3560	955	1264	556
Soap.....do	7108	410	3035	185
Malt Liquor.....Galls.	1042	297	5476	1228
Wearing Apparel.....do		2227		4037
Manufactures of Cotton.....do		5719		6675
do Woollen.....do		25118		22146
do Leather.....do		708		877
Hardware.....do		2672		5432
Fancy Goods.....do				
Wood do.....do				
Candles.....do		1299		1442
Other articles.....do		6017		7726
Free Goods.....do		26189		22833
		\$92740		90420
1860.....				
Duty, if collected.....		\$16056		12905

1860.....\$54,421

F. P. of S. St. M., No. 2.—SUMMARY of the Foreign and Domestic Trade of the Free Port of Sault St. Marie.

	Imports.	Exports.
Value of Trade with Foreign Ports, in 1861.....	\$ 92704	\$ 235516
do do do in 1862.....	90420	305858
Decrease in 1862.....	2284	
Increase in 1862.....		70842
Value of Trade with Canadian Ports, in 1861.....	39179	95
do do do in 1862.....	41743	74
Decrease in 1862.....		21
Increase in 1862.....	2564	
Value of Trade with Foreign Ports, in 1861.....	92704	235516
do do Canadian do in 1861.....	39179	95
Total Trade in 1861.....	131883	235611
Value of Trade with Foreign Ports, in 1862.....	90420	305858
do do Canadian do in 1862.....	41743	74
Total Trade in 1862.....	132163	305932
Total increase of Trade in 1862 over 1861.....	280	70321

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